

Sector Note

Export Sector

Vietnamese exporters adapt to new normal

- We believe that the 20% reciprocal tax achieved in an agreement with the US is acceptable for Vietnam, while the risk of a 40% transitional tax is insignificant for most domestic companies.
- Trump's new threaten tariffs on China may be a new escalation, but it's just another piece of uncertainty for global trade and supply chains in a time of rising protectionism.
- The reciprocal tariff was more of a shock than a painful blow as companies have had to absorb other recent extreme hits such as the Covid pandemic and anti-dumping duties.
- The overall investment view for the sector suffers from short-term uncertainty, but we have a few names to recommend for investors with a longer-term vision.

20% reciprocal tariff, what does it mean?

The 20% reciprocal tariff is the general duty that will be leveled on Vietnamese goods exported to the US, starting from August 2025. Except for a few exceptions with low tariffs such as computers and phones, the rest of Vietnam's main export products will be subject to effective tax rates ranging from 15%-38%, after adding to existing duties. We think this current tax rate is acceptable for Vietnam, and will keep its products competitive compared with peers.

The global supply chain is shifting to adapt, and is not broken, yet

With US consumers likely to bear most of the additional cost of the new tariffs (~60% in Trump 1.0), US retailers, importers and manufacturers will have to share the rest of the burden and find ways to adapt. Multinational companies are prioritizing the transfer of orders to countries that have existing factories and suppliers instead of setting up brand new facilities in low-tariff-bearing countries. Before making drastic changes to supply chains, manufacturers must know the next target of Trump's tariffs, and whether they will last beyond his second term.

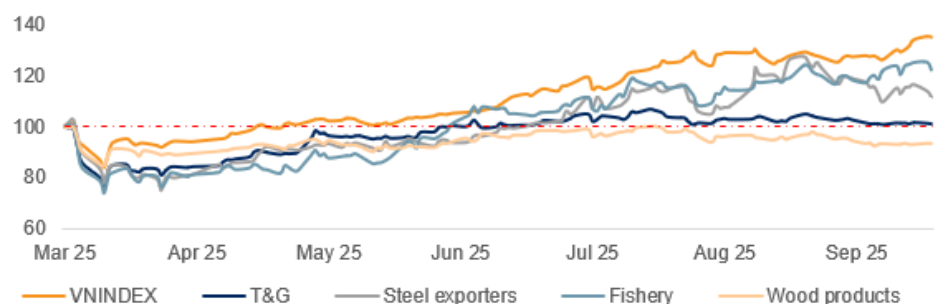
Front-loading, relocated orders boost Vietnam's recent export growth

Vietnam and other countries have recorded strong export growth to the US since April, while India and China have recorded negative growth. In addition to inventory front-loading, the effect of shifting orders from China is relatively clear, especially as China's tax rate (34%) is higher than that of most Asian exporting countries. However, room may be limited in coming quarters as the US economy is expected to slow, and US consumers need time to adapt to the new normal of higher prices.

Selective picks rather than sector-wide bet

With the expectation of a US economic recovery from late 2026, we think the next up-cycle for Vietnamese exports will start from 3Q26. Thus, we do not think the sector-wide outlook is attractive for mid-term trading, in general. But we still have some names in our pocket for longer-term investments thanks to their position and effective adaptation to the new period. We like VHC and MSH, and put ANV on our watchlist.

Figure 1: Price performance of export sectors since early April 2025



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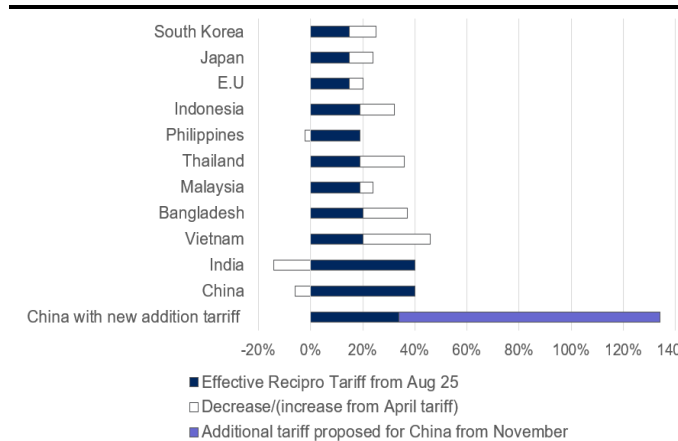
Source: FiinPro, VNDIRECTRESEARCH

What does 20% tax means for Vietnamese exports?

20% reciprocal tariff – What it means for Vietnam

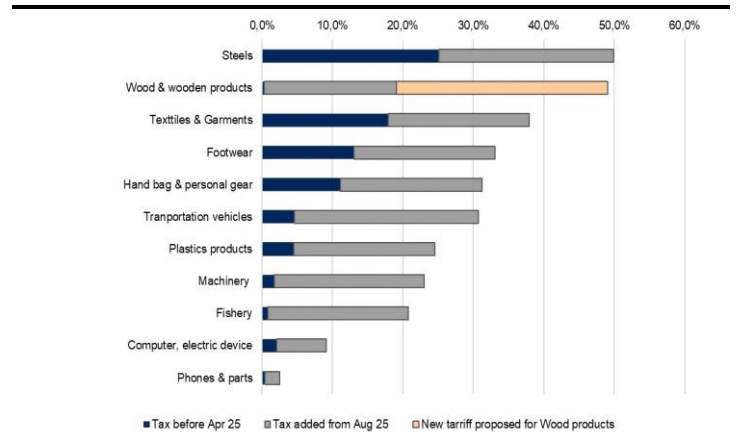
In August, the final reciprocal tariff on Vietnam's goods came into effect at 20%, (a 26 percentage point decrease from the April announcement), which is somewhat higher than market expectation and put pressure on demand for key export products. However, Vietnam witnessed one of the highest reductions from the initial April tariff plan (among key trade partners with the US), reflecting the Government's deft negotiating skill, and this number is relatively competitive compared to major competitors in Asia.

Figure 2: Vietnam negotiated one of biggest decreases in tax rate, and has a rate comparable with peers



Source: Whitehouse, VNDIRECT RESEARCH

Figure 3: Effective tax rate of Vietnam's key export sectors



Source: BIDV Research Center, VNDIRECT RESEARCH

The new reciprocal tariff adds 20% above existing tax duties (harmonized tariff and other specific tax barriers) of Vietnamese goods exported to the US, with exceptions for electronic products, phones and parts, and some other products.

Among Vietnam's key export items, the group of computers and phones still enjoys relatively low tariffs. However, those products are mainly exported by FDI firms. Traditional export items such as textiles, footwear and handbags are subject to tariffs of about 30-38%, while seafood is taxed at 20.8%.

Figure 4: Effective tariff of products and countries to the US: Vietnam maintains relative competitiveness in most products compared with peers

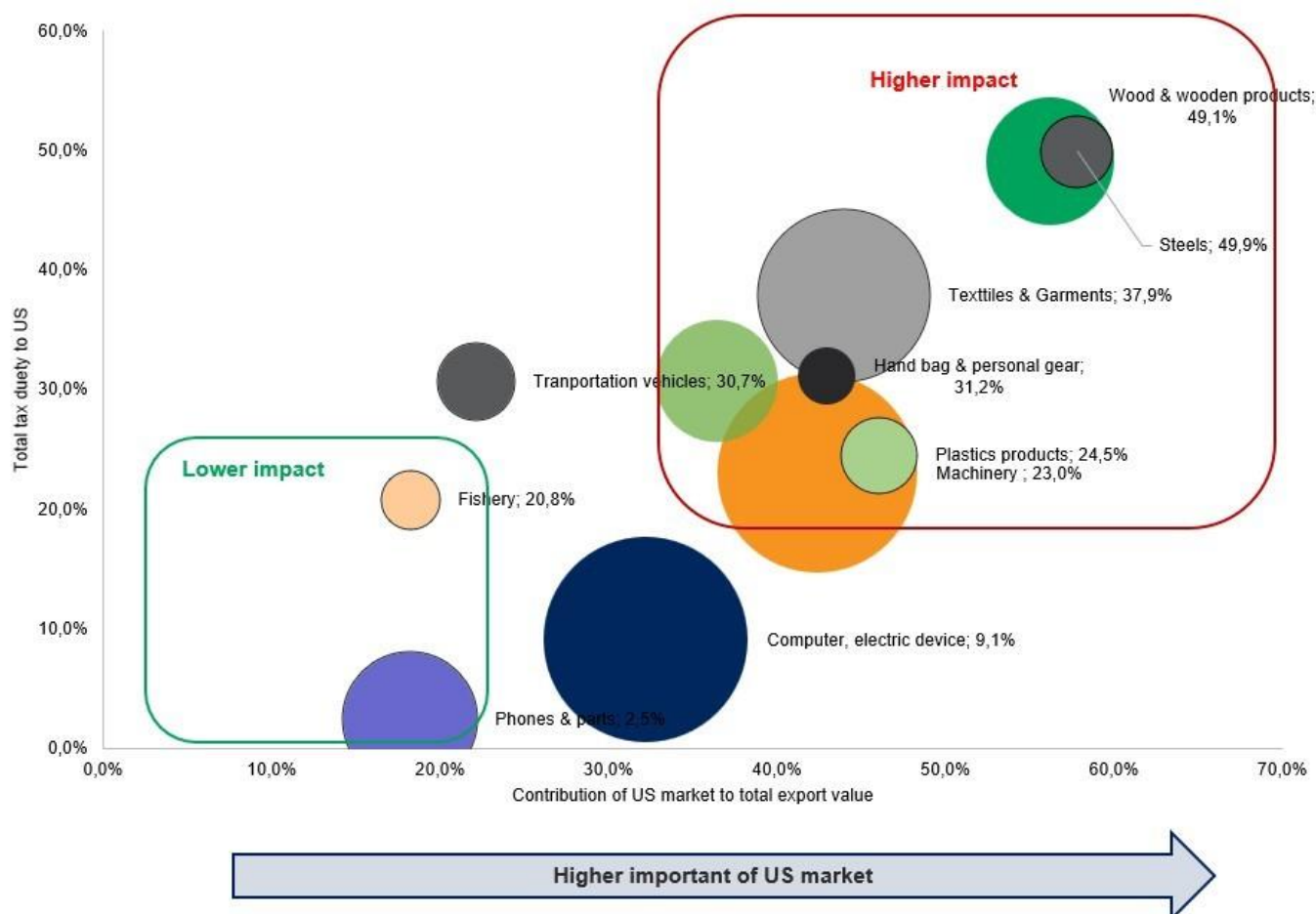
	Vietnam's export value 2024 to US (USDbn)	Vietnam's export value to US/total export value	Vietnam	China	China new tariff threat	South Korea	Japan	India	Thailand	Malaysia	Indonesia	Bangladesh
Computer, electric device	23,2	32,2%	9,1%	29,4%	129,4%	3,0%	10,1%	54,5%	10,9%	6,5%	19,6%	27,7%
Machinery	22,1	42,4%	23,0%	53,5%	153,5%	19,5%	16,6%	49,3%	23,4%	20,0%	22,0%	25,1%
Textiles & Garments	16,2	44,0%	37,9%	48,9%	148,9%	15,0%	15,0%	61,2%	35,8%	34,8%	37,2%	36,5%
Phones & parts	9,8	18,2%	2,5%	22,6%	122,6%	8,8%	5,1%	0,7%	1,3%	2,9%	1,0%	0,0%
Wood & wooden products (*)	9,1	56,2%	49,1%	82,0%	182,0%	42,6%	48,9%	79,4%	46,7%	46,4%	43,9%	50,0%
Footw ear	8,3	36,4%	33,1%	43,2%	143,2%	15,0%	15,0%	59,7%	28,5%	48,8%	32,2%	28,4%
Tranportation vehicles	3,3	22,1%	30,7%	67,3%	167,3%	25,8%	24,5%	39,6%	27,8%	22,0%	23,8%	30,3%
Plastics products	3,1	46,1%	24,5%	43,9%	143,9%	15,0%	15,0%	54,2%	22,9%	22,8%	22,9%	22,6%
Fishery	1,8	18,2%	20,8%	47,2%	147,2%	15,0%	15,0%	50,0%	24,3%	19,3%	19,3%	20,0%
Handbag & Personal gears	1,8	42,9%	31,2%	62,0%	162,0%	15,0%	15,0%	58,3%	26,4%	28,4%	34,9%	28,1%
Steels	2,7	57,8%	49,9%	86,9%	186,9%	49,4%	49,3%	49,4%	49,4%	35,6%	49,1%	52,3%

(*) Including maximum new tariffs proposing

10,0% Highlighted cell indicate Vietnam's competing regions/countries in the sector

Source: BIDV Research Center, VNDIRECT RESEARCH

Figure 5: Steel and Wood are the most impacted sectors while Fishery, Phones and Parts faces less pressure from the 20% reciprocal tariff



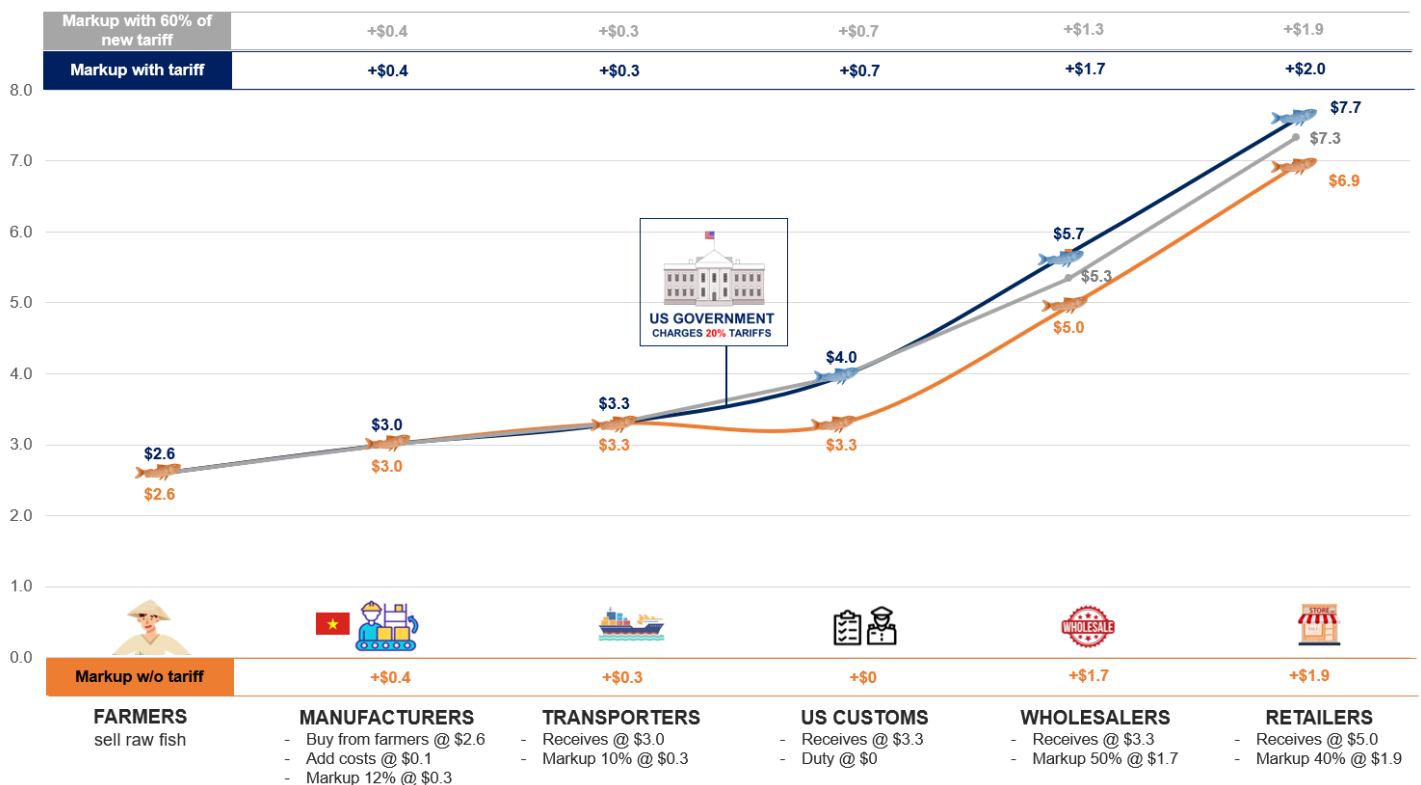
Source: VNDIRECT RESEARCH

20% reciprocal tariff – Who takes the brunt?

According to statistics from economists, 60% of the cost burden of increased taxes during Trump's first term was shouldered by US consumers, and we use this as the base scenario for estimating the impact of taxes on US goods prices. We also use the scenario of manufacturers, distributors, and retailers passing all taxes to US consumers to visualize the pressure of taxes on the value chain of goods. We conceptualize below the cost sharing of trading partners for two important Vietnamese export items, which are pangasius and garments.

- With pangasius products, we expect that the 20% tariff will increase the selling price to end-customers by 9.5% if pass-on is 100%, and 5.7% in our base case scenario. For pangasius exporting enterprises, the cost sharing, if any, can cause the export price to decrease by ~5-10%, which in our opinion is not too large a fluctuation compared to the increase/decrease in the past of pangasius prices.
- With textile products, we expect that the 20% tariff will cost the customer an additional 5.4% on clothes (if pass-on is 100%) and 3.3% in our base case scenario. For textile and garment enterprises, the factory price accounts for a relatively small proportion of the total price to US consumers, so cost sharing will be easier for manufacturers. Some FDI enterprises said that they have kept the processing unit price unchanged recently as the importer will bear all the increase in tax.

Figure 6: For Pangasius fillet products, the 20% tariff increases the retail price in US supermarket shelves by 5.7% (in base case)



Source: VNDIRECT RESEARCH

Figure 7: For Apparel product, the 20% tariff increases the retail price in the US by 3.3% (in base case)



Source: VNDIRECT RESEARCH

Thus, we think that the current tariff level is relatively acceptable for most links in the value chain.

Impact of US reciprocal tariffs on global value chain – a JIT model analysis

JIT or Just – In – Time is a production and inventory management system first invented and applied in Japan in the 1970s predicated on the timely arrival of raw materials, parts and components, or even finished products (for retailers). On arrival, inputs are sent immediately to production lines, and the finished product is sent immediately to distributors and retailers, enabling a company to reduce inventory costs and wasteful spending.

This system (JIT) was the wave of the future. Until it wasn't.

*Keith Rockwell
Hinrich Foundation*

This model has evolved many times, and from the perspective of the global distribution of goods, the JIT model is still a pillar of globalization and, later, China plus 1. We approach the China plus 1 concept with a US retailer, a manufacturer in Vietnam and input suppliers in China.

- For a high-value product, a US customer will place an order with a retailer, with a delivery time of about **20 days**.
- The retailer will immediately send the order to the product supplier, and then the order will immediately be sent to the supplier of raw materials and accessories.
- Raw materials can be immediately released from the warehouse (based on strong supporting industrial capacity) to the manufacturer.
- The manufacturer can immediately start production and the goods can be immediately released to the shipping unit without having to store raw materials and goods for a long time.
- The goods can reach the US retailer ready for delivery within **20 days**. The production cycle will be similar to the delivery time.

Figure 8: US reciprocal tariff push pressures the foundation of the global value chain



Source: VNDIRECT RESEARCH

With this model, multinational companies can optimize the production chain based on the ability to source goods in areas with fast and sufficient raw material supply capacity (such as China), and production locations convenient for logistics and reasonable labor costs (Vietnam and +1 countries). With the US imposing reciprocal tariffs, and possibly many new tariffs in the future, the production chain is immediately affected as the "reasonable production cost"

factor has been inflated. If orders are shifted to reduce the impact of tax costs, it will certainly affect the "in-time" factor, thus logistics and warehousing costs

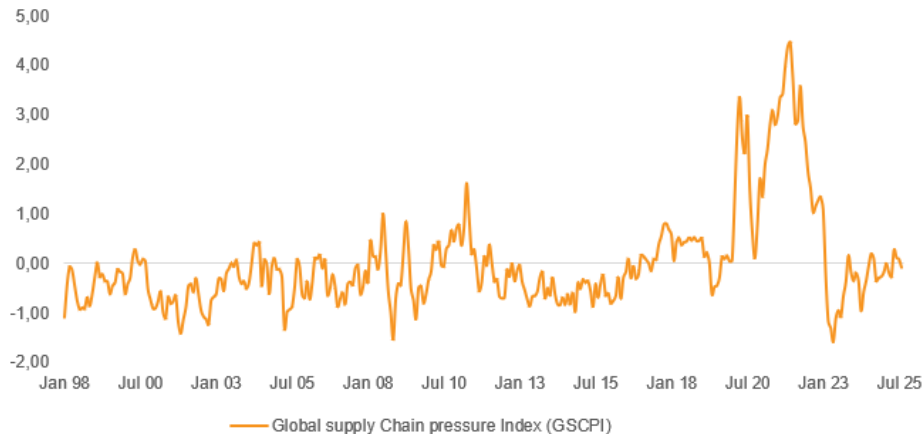
"Globalization and the integrated production processes it has engendered will not vanish because Trump wishes it so. But his belligerently nationalist approach to trade coupled with growing global suspicions about China have short-circuited longstanding production and supply networks, deepening and widening the fragmentation of the global economy. The result will be greater inefficiency, higher costs and greater hardship in many developing countries."

*Keith Rockwell
Hinrich Foundation*

may increase. It is impossible for multinational corporations to move their entire supply chains and supporting industries to countries with attractive enough tax rates during Trump's second term. Trump's tariffs leave US companies the option to increase inventory levels or relocate sourcing, but both are **short circled**.

With the current level of tariff, even with a 100% addition to Chinese products, we think that the current global value chain model is not broken yet, but **multination countries** face pressure to adapt to the situation, at least during the rest of Trump's term. But if Trump's successors or economic competition between China and the US escalates in the future, with the rise of protectionism and nationalism, the world may see new value chain models, or even a return to old ones.

Figure 9: Unlike in the Covid period, reciprocal taxes have not created tension on global value chains, yet



Source: New York Fed Research, VNDIRECTRESEARCH

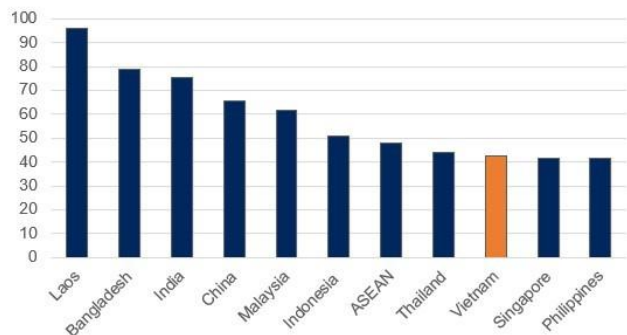
Exaggerated concern over the definition of transshipped goods

In the Vietnam-US tariff agreement, the US will impose a 40% tax on goods identified as **"transshipped"** (instead of a 20% level on normal goods), without any clear definition or guidance. The US said it will periodically publish a list of companies that will be subject to the tax on transshipped goods.

After the tariff agreement, manufacturers and associations have been relatively vague about whether goods produced from Chinese raw materials are considered transit goods or not. This concern comes from the fact that Vietnamese goods have a relatively low localization rate. According to BIDV Research Center, except for the agricultural industry, which is 90% self-

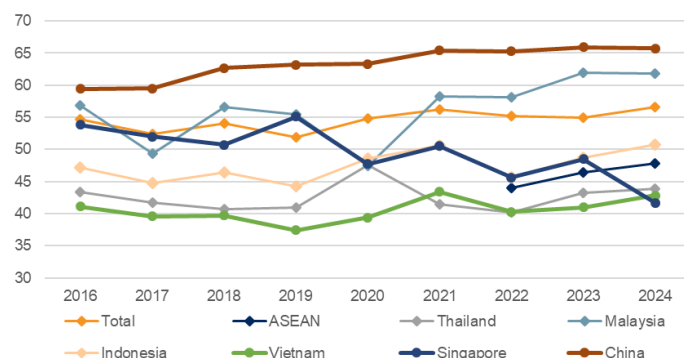
sufficient, the wood industry only reaches a localization rate of 30-31%; the ratio for Textiles, Footwear is 40-45% and the electronics industry has only 10% domestic supply. On the other hand, we believe the “transshipment” issue poses little risk for Vietnamese conventional goods such as fisheries, agriculture, and vegetables, which are largely domestically sourced and processed.

Figure 10: Vietnam has a low localization rate compared with regional countries due to low-added value in computer and phone products



Source: Jetro, VNDIRECT Research

Figure 11: Vietnam’s localization rate is improving but at a slow pace



Source: Jetro, VNDIRECT Research

We believe that with the 40% tax, the Trump administration is targeting companies that avoid origin tracking or temporarily import goods for re-export, not "made in Vietnam" goods. According to recent data from associations, most companies in the Textile & Garment, Wood and other industries have not recorded any cases that were subject to the 40% transshipped goods tariff, including some companies with 90% raw materials imported from China.

Figure 12: Vietnam has investigated a number of transactions that show signs of origin evasion, often involving importing goods and attempting to change their origin to Vietnam before exporting



Source: Vietnam Plus, VNDIRECT RESEARCH

Figure 13: USD4.3bn worth of aluminum inventory at the Thi Vai Port Cluster

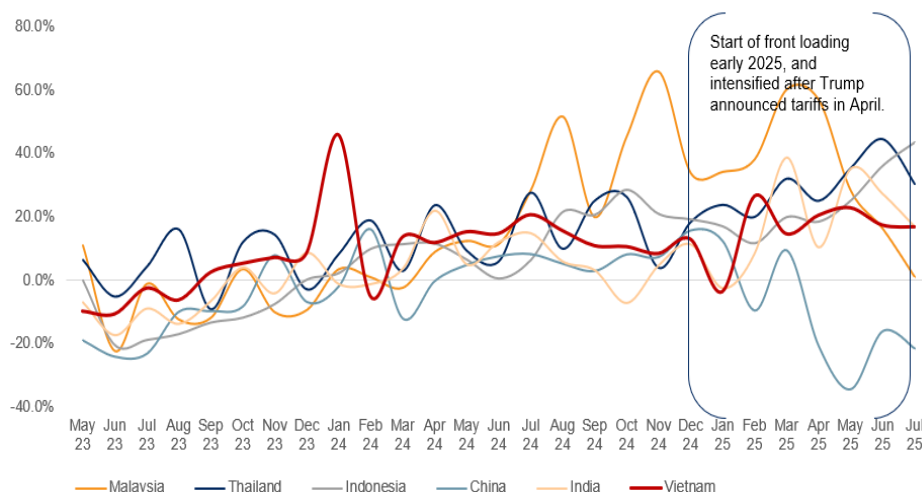


Source: Wall Street Journal, VNDIRECT RESEARCH

How front loading happens

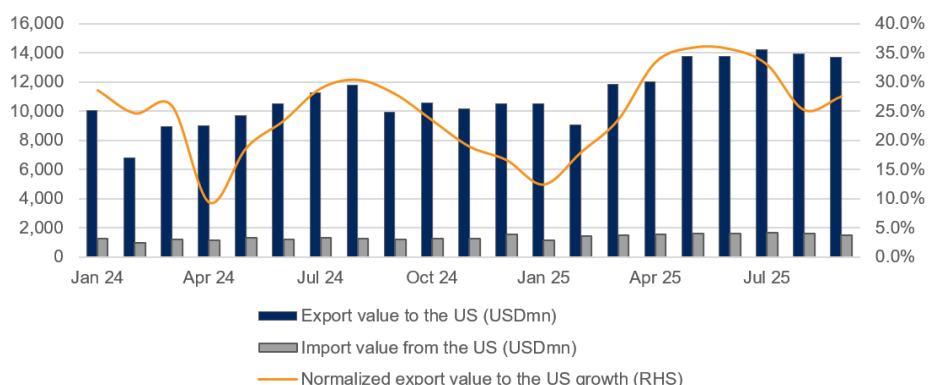
Figure 14: Monthly export value of countries to the US (YoY) through July 25

Most key Asian export countries have recorded strong export value growth to the US since early 2025, except for India and China. Strong exports from Vietnam, Thailand, Indonesia and Malaysia were mainly contributed by electronics, phones and machinery products.



Source: UNComTrade, VNDIRECT Research

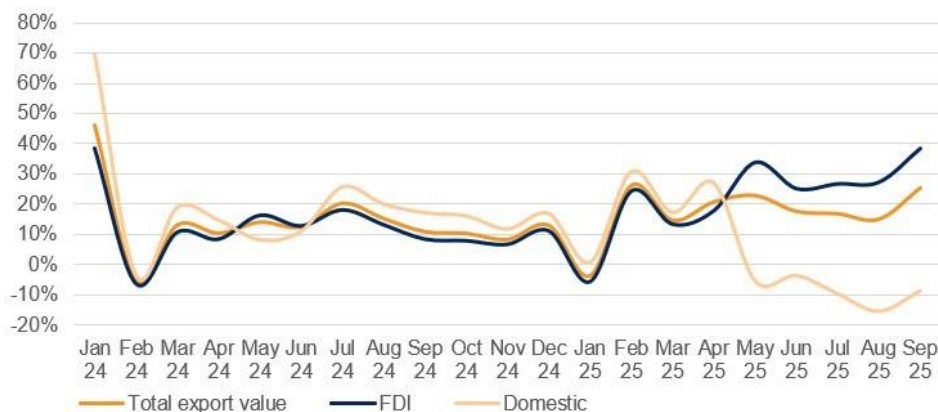
Figure 15: Vietnam's trade balance with the US from January 2024 to September 2025



Source: NSO, VNDIRECT Research

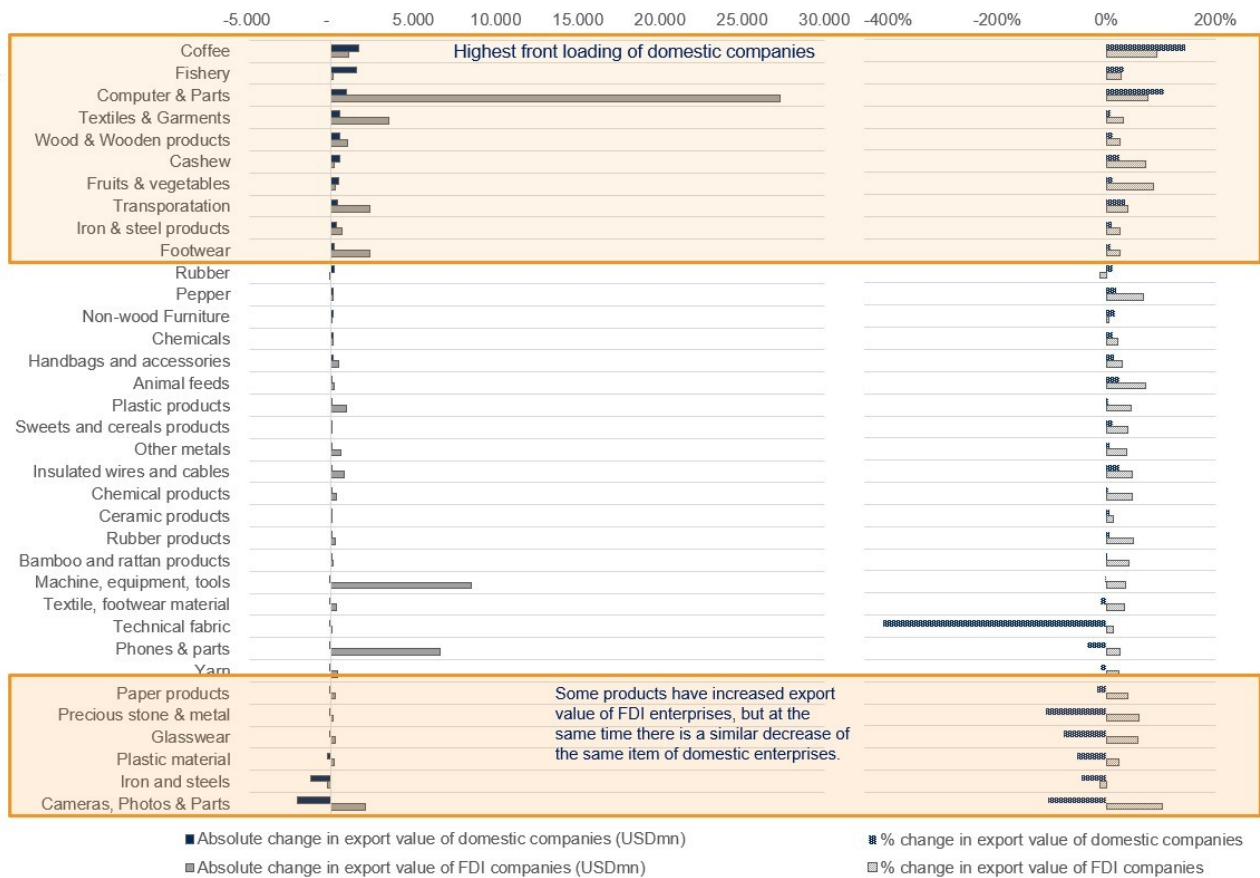
Figure 16: Vietnamese export value. FDI keep growth momentum while domestic export value recoded negative growth

After cooling in August, September's export value showed positive signs. The fall of domestic value growth is not a cause for concern, in our view, as major contributors to this decline are from Steel and Cameras, which are not Vietnam's traditional export pillars. In addition, some items show signs of transferring their legal entity as the decrease in the domestic export value is almost equivalent to the increase in FDI export value.



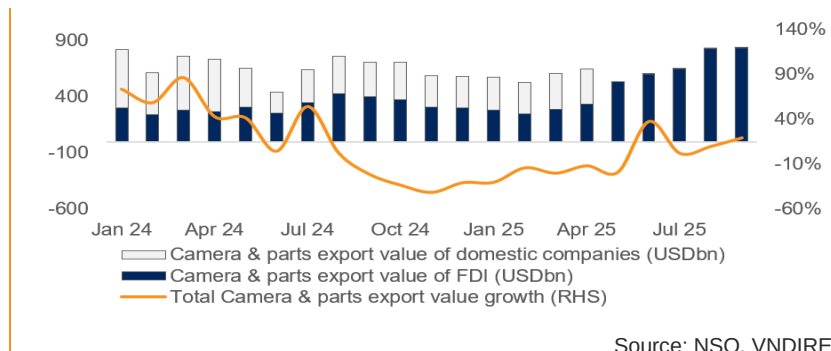
Source: NSO, VNDIRECT Research

Figure 17: Vietnam's export value since the start of US reciprocal tariff announcement (April 25 to September 25)



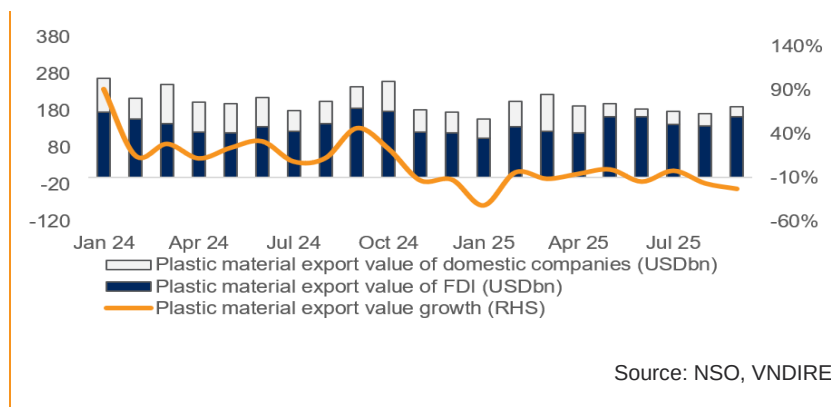
Source: NSO, VNDIRECT Research

Figure 18: Camera & Parts export value is a notable example of transition in exports



Source: NSO, VNDIRECT Research

Figure 19: Export value of Plastic material

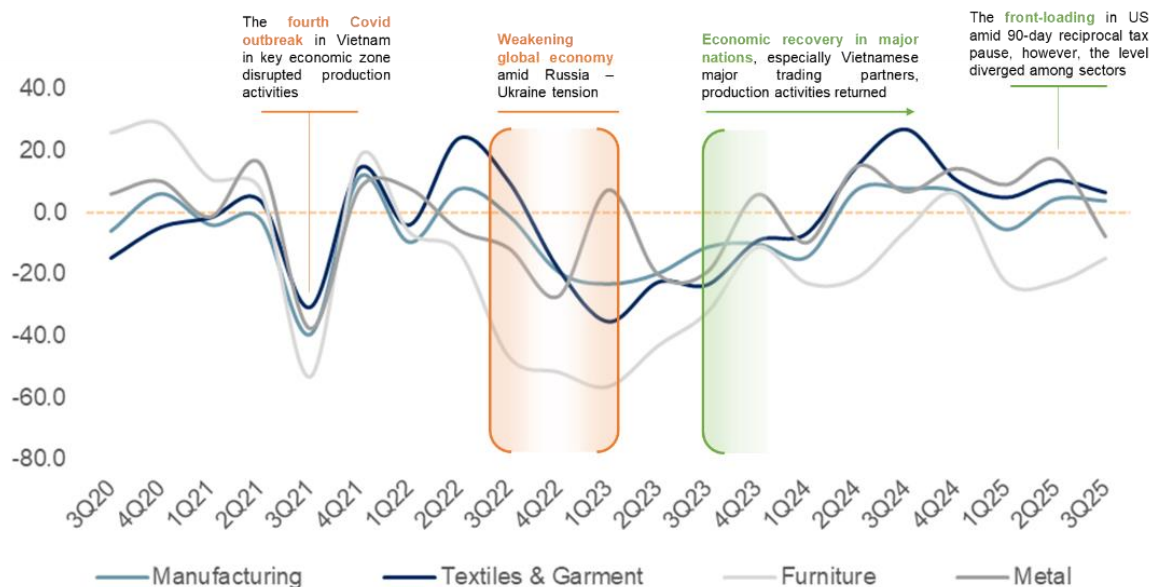


Source: NSO, VNDIRECT Research

How companies/industries are adapting to the new era of taxes

Domestic enterprises can benefit from orders relocating from China but upside is limited

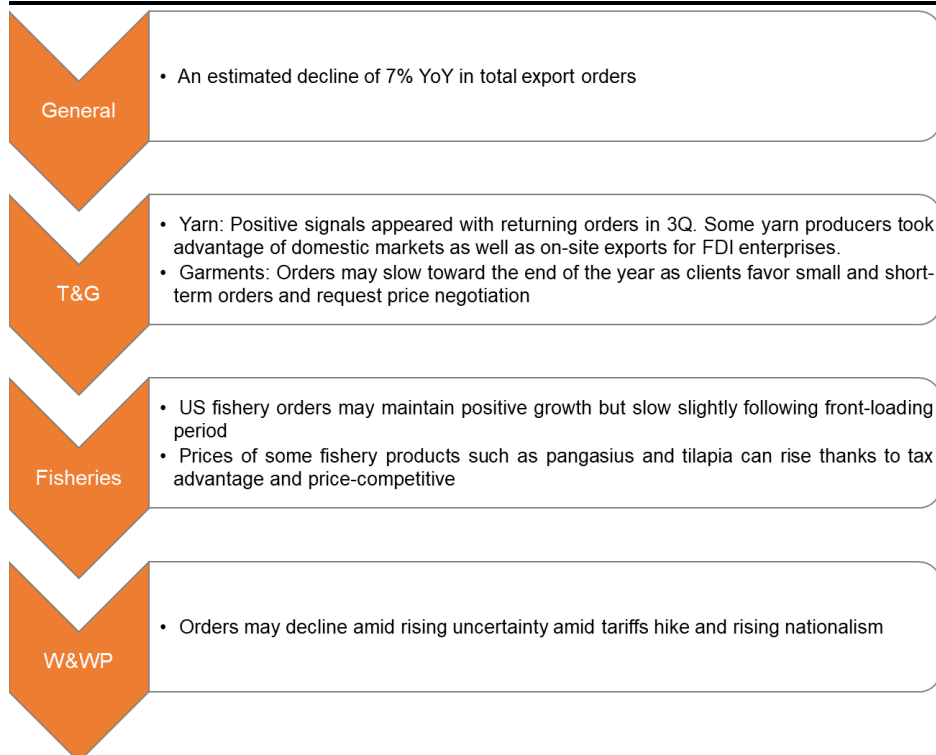
Figure 20: Order balancing index: Orders are likely to slow and diverge among sectors



Recent front-loading was concentrated in the US rather than global markets, leading to a smaller and more uneven order surge compared to past restocking cycles. Manufacturing orders remained resilient, supported by US stockpiling demand, while metal and furniture lagged amid tariff pressures and intensifying competition. This divergence underscores Vietnam's strong positioning in textiles & garments as a key production hub.

Source: NSO, VNDIRECT RESEARCH

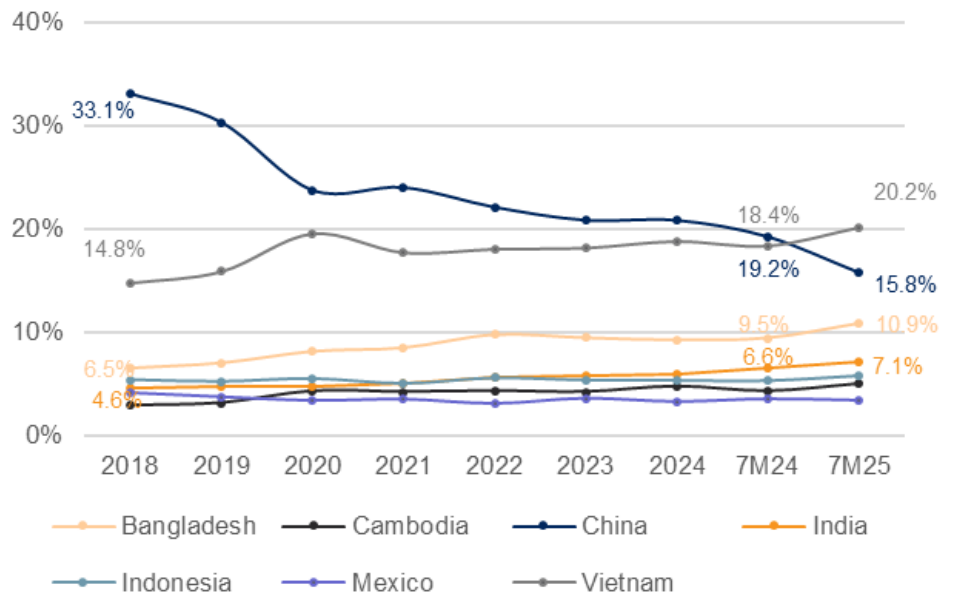
Figure 21: Summary of order outlook for some major products



Source: VNDIRECTRESEARCH

The new trade dynamic is likely to benefit Vietnam's manufacturing base, leveraging tax advantages and proven production capabilities. Among sectors, textiles & garments (T&G) stands out as key beneficiary as US brands continue shifting production from China. Vietnam officially surpassed China as the top apparel exporter to the US in 7M25, reinforcing its position as an ideal destination for outsourced manufacturing.

Figure 22: Vietnam overtook China as the top apparel supplier to US in 7M25, with market share gaining 1% pts YoY



Source: VNDIRECT RESEARCH

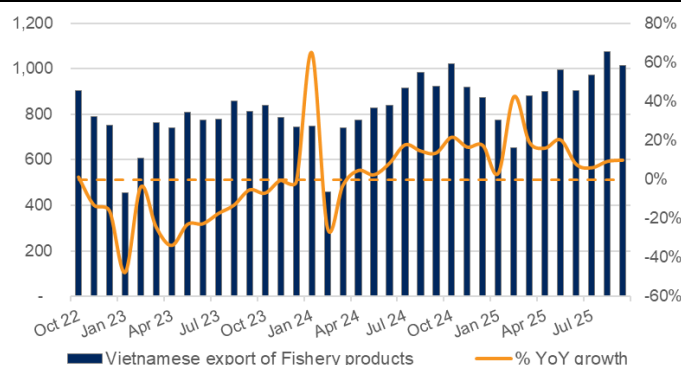
However, upside may be capped due to lingering trade certainty. While order relocation offers clear benefits, we believe the upside remains limited. US brands are unlikely to move their entire supply chain out of China, given its extensive manufacturing ecosystem and lower production costs from redundant capacity. Instead, brands are pursuing flexible diversification, splitting orders across multiple countries to strengthen resilience against trade disruptions. Consequently, the “shared Chinese pie” will likely be distributed across various regional players, with Vietnam capturing a meaningful yet measured portion. In addition, textiles & garments (T&G) and footwear segments, which rely heavily on Chinese materials, are actively diversifying their sourcing base, prioritizing domestic sourcing and strengthening traceability to demonstrate material origin and safeguard against tariff revisions.

The US remains Vietnam's most critical export destination, particularly for seafood and garments, as emphasized by both VASEP and VITAS. However, with trade uncertainty persisting, exporters are likely to accelerate market diversification to leverage FTAs and reduce dependence on a single destination. While pangasius exporters benefit from anti-dumping exemptions, shrimp producers face higher tariff risks, reinforcing diversification as a strategic necessity rather than an option.

Exports recovered in September in some segments

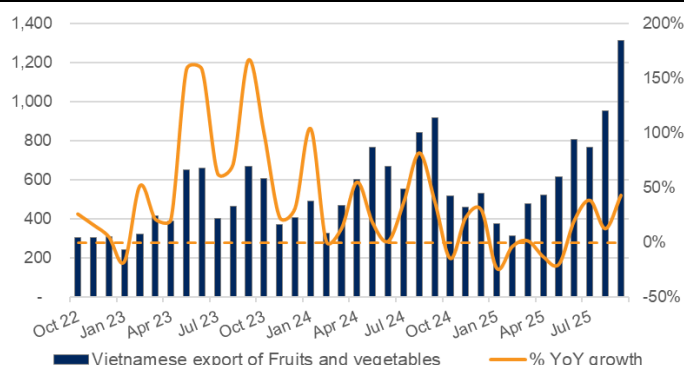
Vietnam's exports rebounded in September, rising 25.3% YoY after a temporary slowdown in August, reflecting a recovery in momentum following a cautious "wait-and-see" period ahead of the official 20% tariff implementation. With most enterprises now confirmed to face only a 20% tariff - and none subject to the 40% rate despite sourcing materials from China - US importers have regained confidence in placing new orders. While traditional export products continued to post steady growth through 9M25, footwear and textiles & garments (T&G) segments also showed clear signs of recovery in September. We view this as a positive signal that Vietnam's exports are stabilizing and on track to meet full-year targets.

Figure 23: Exports of fishery products maintained positive growth in 9M25



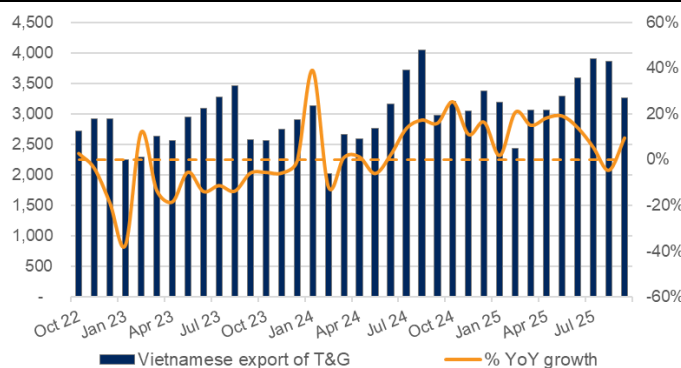
Source: NSO, VNDIRECT RESEARCH H

Figure 24: Exports of fruits and vegetables surged 43.2% YoY in September



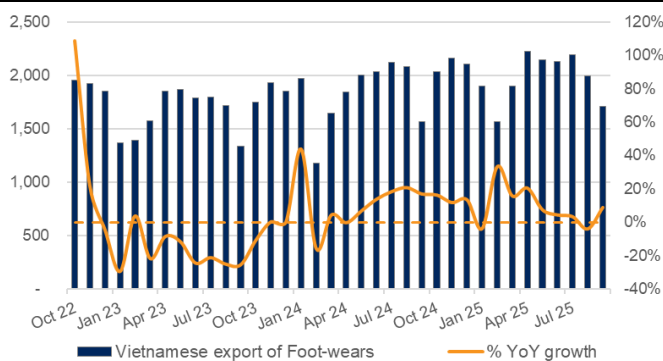
Source: NSO, VNDIRECT RESEARCH

Figure 25: T&G exports recovered 9.4% YoY after negative YoY growth in August



Source: NSO, VNDIRECT RESEARCH

Figure 26: Footwear exports showed the same recovery as T&G



Source: NSO, VNDIRECT RESEARCH

Long-term outlook hinges on US economy

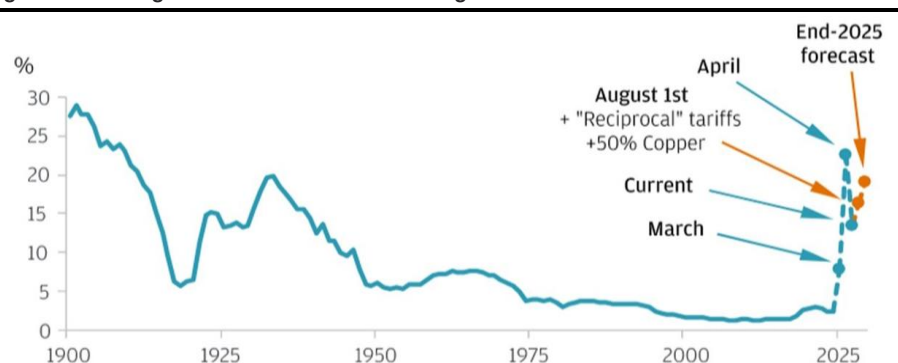
Figure 27: Colorado State University forecast of US economy for different scenarios of tariff levels

Indicators	2024A	2024 tariff level			2025 tariff level			Potential Escalatory tariff level		
		2025E	2026F	2027F	2025E	2026F	2027F	2025E	2026F	2027F
GDP growth	2.80%	1.80%	2.00%	1.90%	1.60%	0.70%	1.70%	1.50%	0.10%	1.40%
CPI	2.90%	2.60%	2.00%	2.30%	2.80%	3.40%	2.30%	2.80%	4.20%	3.30%
FED fund rate	5.10%	4.00%	3.30%	3.10%	4.20%	3.40%	3.10%	4.30%	3.50%	3.00%
Retail sales growth	3.00%	3.80%	4.00%	5.20%	2.90%	2.10%	3.80%	3.00%	1.70%	3.30%
Unemployment rate	4.00%	4.10%	4.00%	4.10%	4.20%	4.60%	4.70%	4.30%	4.90%	5.30%
Job growth	1.30%	1.00%	1.00%	1.00%	1.00%	0.40%	0.50%	0.90%	-0.20%	0.00%
Reesidential Housing permith growth	-2.20%	2.40%	4.10%	1.00%	-3.90%	0.80%	5.20%	-4.90%	-1.10%	4.40%
Change in forecast										
GDP growth	2.80%				-0.20%	-1.30%	-0.20%	-0.10%	-0.60%	-0.30%
CPI	2.90%				0.20%	1.40%	0.00%	0.00%	0.80%	1.00%
FED fund rate	5.10%				0.20%	0.10%	0.00%	0.10%	0.10%	-0.10%
Retail sales	3.00%				-0.90%	-1.90%	-1.40%	0.10%	-0.40%	-0.50%
Unemployment rate	4.00%				0.10%	0.60%	0.60%	0.10%	0.30%	0.60%
Job growth	1.30%				0.00%	-0.60%	-0.50%	-0.10%	-0.60%	-0.50%
Residential Housing permith growth	-2.20%				-6.30%	-3.30%	4.20%	-1.00%	-1.90%	-0.80%

Source: Colorado State University, VNDIRECT RESEARCH

Based on Colorado State University's forecast of key US economic indicators, the impact of current (20.7% tariff on average) and potential escalatory tariff levels will weigh most heavily on GDP growth in 2026, before a gradual recovery in 2027. Conversely, a scenario where tariffs revert to 2024 levels would show the opposite trend, with GDP peaking in 2026. The anticipated slowdown in 2026 will primarily be induced by rising inflation. As tariffs are now 8x initial levels in the base case, cost pressures on producers will intensify. In response, firms face two unfavorable choices: either pass higher costs onto consumers or cut expenses internally. Both outcomes constrain growth. Passing on costs suppresses consumption as higher prices erode purchasing power, while cutting costs - particularly through labor reductions - weakens household income and spending capacity.

Figure 28: Average US tariff rate reached its highest in decades



Source: J.P.Morgan Global Economic, using trade basket weights

Consequently, inflation is expected to peak in 1H26, followed by a rise in unemployment and subdued retail activity. By late 2026, however, inflationary pressure should ease as markets adapt to the new price environment, setting the stage for a modest rebound in 2027. For Vietnam, this suggests that trade activity with the US will likely remain subdued through 2H25-1H26 amid weaker demand. However, as the US economy stabilizes from 2H26 onward, renewed

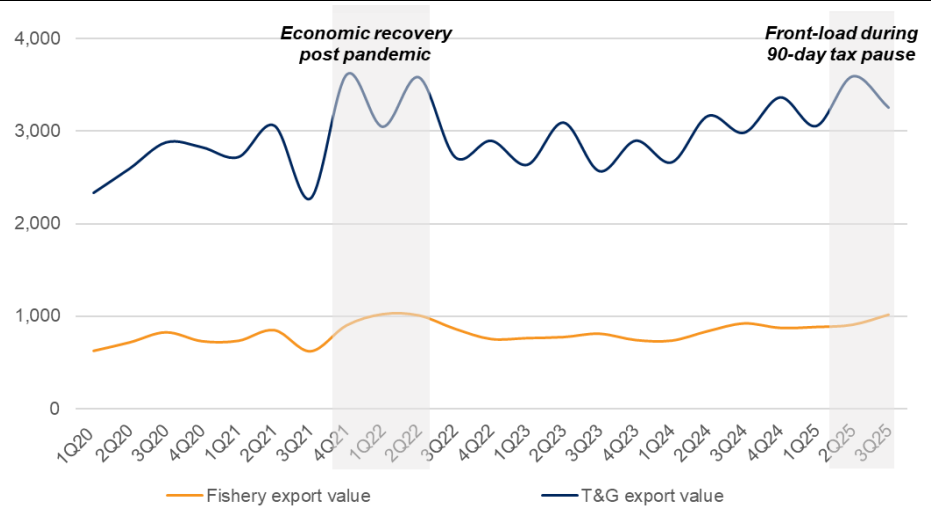
orders and improved purchasing power could drive a recovery in bilateral import-export momentum.

Have export stocks taken enough tariff hits?

Reciprocal tariffs are not the first painful blow for export companies

Reciprocal tariffs have been more of a shock than a painful blow given that companies have taken other extreme hits in recent years such as during the Covid pandemic and anti-dumping duties. While the former caused a severe supply chain disruption, pausing every activity, the latter hit with sky-high tax rates, hurting demand. These blows both hurt demand due to disruptions and were followed by a surge in goods stocking or stock-piling to avoid higher costs. The surge typically lasted around one to two quarters and export value fluctuated around its mean until another shock kicked in.

Figure 29: Exports of fishery and T&G surged amid global disruptions, driven by inventory buildup during the post-Covid recovery and the 90-day tariff pause (USDmn)

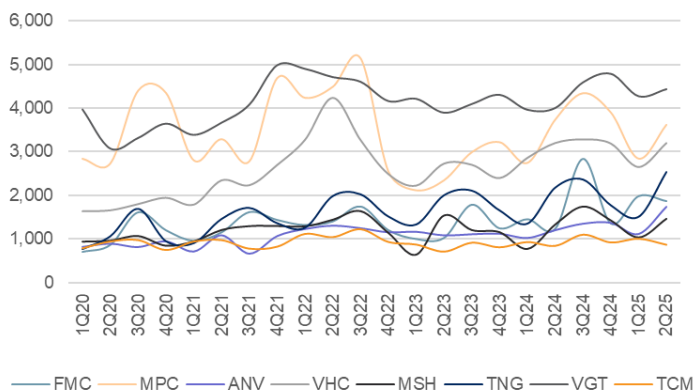


Source: NSO, VNDIRECT RESEARCH

Revenue and profit of listed exporters have closely tracked sector-wide export cycles. Benefiting from temporary stockpiling demand, companies typically enjoyed short-lived surges in both sales and earnings before normalizing once the restocking phase ended. However, the tariff-driven shock in 2025 generated a weaker response compared to the Covid period, as the front-loading window was shorter and concentrated on fulfilling year-end orders, with buyers able to wait and reorder later. In contrast, during the Covid era, fears of renewed lockdowns and supply disruptions prompted panic buying and prolonged restocking. Moreover, in 2021, global production and aquaculture capacities were constrained, tightening supply while demand surged, pushing product prices to record highs not seen since.

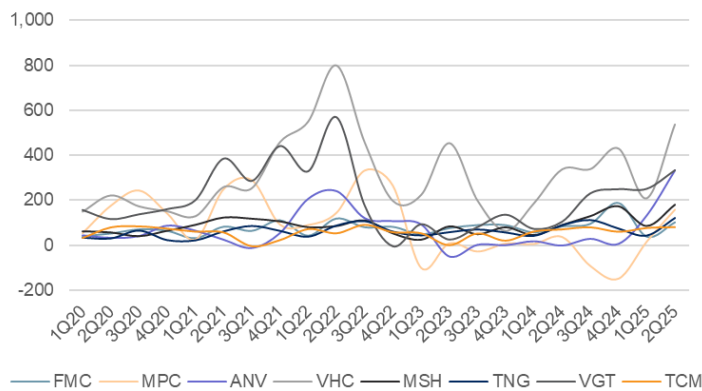
Nonetheless, this more moderate cycle may prove healthier, as the adjustment and normalization period could be shorter than in 2019, paving the way for an earlier recovery once global uncertainty begins to ease.

Figure 30: Revenue of exporters tracked sector-wide export surges (VNDbn)



Source: FiinPro, VNDIRECT RESEARCH

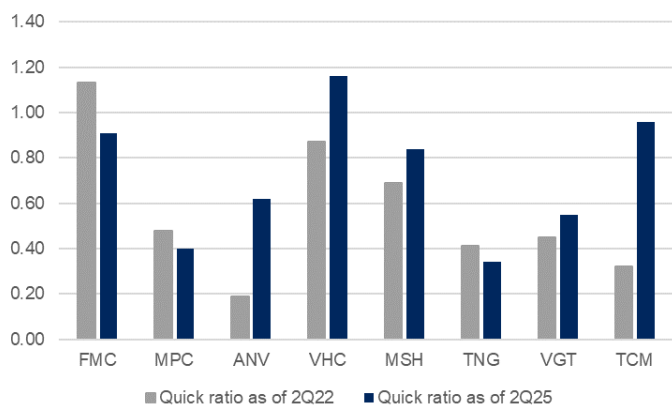
Figure 31: Net profits mirrored revenue cycles during export booms (VNDbn)



Source: FiinPro, VNDIRECT RESEARCH

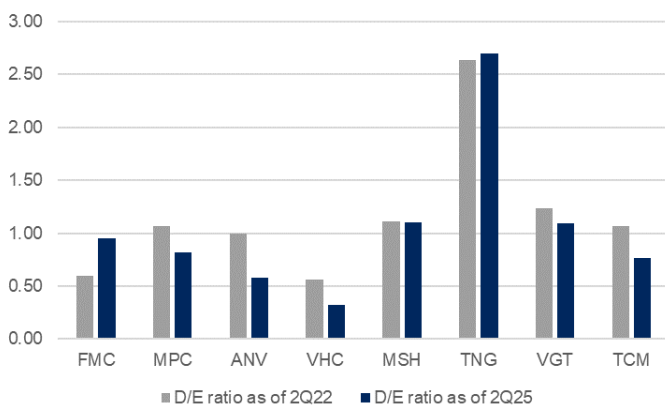
Exporters strengthened financial health after various hits

Figure 32: Almost all exporters had quick ratios improve since the Covid pandemic



Source: FiinPro, VNDIRECT RESEARCH

Figure 33: Companies with better quick ratios also have lower D/E, underscoring higher liquidity positions while reducing reliance on leverage (x)



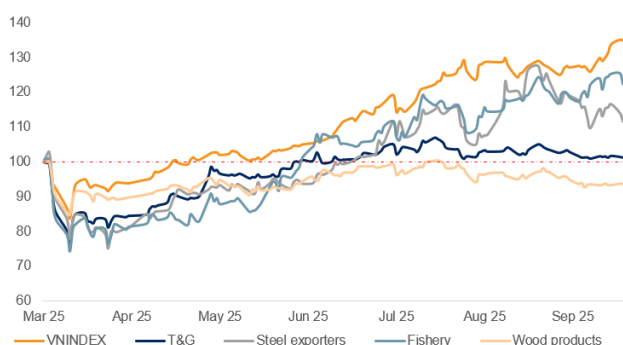
Source: FiinPro, VNDIRECT RESEARCH

Compared to the Covid period, most exporters exhibited higher **quick ratios**, with TCM and ANV leading the improvement, while FMC, MPC, and TNG saw some deterioration. This trend corresponds with declining financial leverage, as firms with better liquidity positions reduce dependence on debt funding. The improvement reflects exporters' enhanced working-capital management and a more cautious approach toward financial risk after several years of market disruptions. Vietnamese exporters have strengthened their balance sheets and financial resilience, becoming better equipped to withstand future industry shocks.

Attractiveness of export stocks

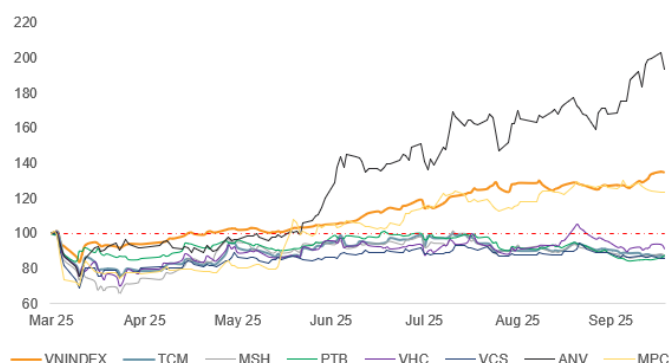
The VN-Index not only recovered from April's fall (due to Trump's announcement of reciprocal tariff), but also reaching a new historical milestone. We do not think VN-Index's rally (in July, August) reflects excitement about the US tax agreement, as the majority of exporting enterprises, or industrial property stocks, have not yet reached the level of before April, let alone catch up with the VN-Index. As market sentiment has focused on a stock market upgrade and expected Government prioritizing of economic growth in 2025 and 2026, export stocks have almost been forgotten.

Figure 34: Most export-oriented stocks have not yet recovered from April's fall, except for fishery led by ANV and MPC (100 = Closed price in March 2025)



Source: FiinPro, VNDIRECT RESEARCH

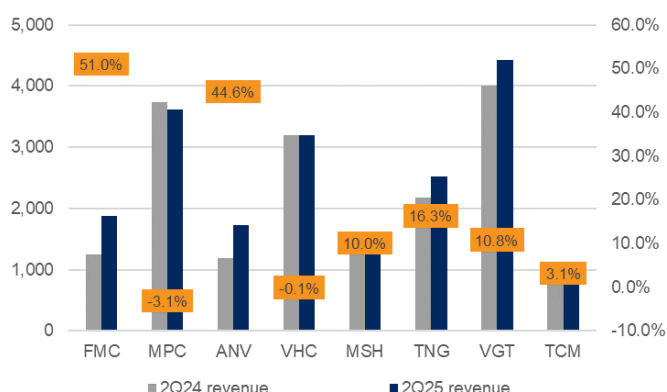
Figure 35: ANV, MPC have stood out as beneficiaries of trade tension (100 = Closed price in March 2025)



Source: FiinPro, VNDIRECT RESEARCH

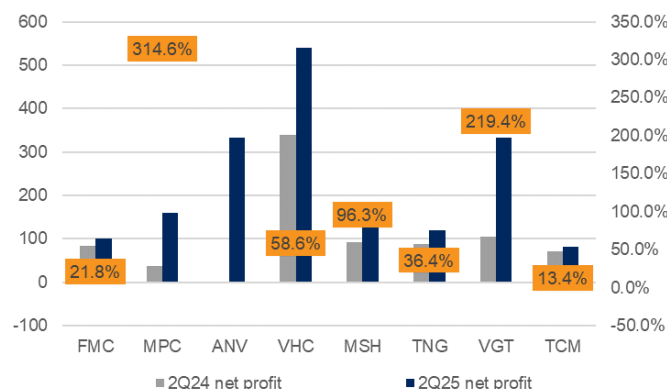
There have been some ad-hoc success stories such as ANV (benefiting from US demand for a replacement of Chinese tilapia) and MPC (6M25 NP increased 3x thanks to lower operating expenses), but they do not represent the overall picture of export sectors. Export stocks have recorded a weak recovery compared with the overall market, but are not cheap enough for value investors.

Figure 36: YoY growth of 2Q25 revenue of some listed export companies



Source: FiinPro, VNDIRECT RESEARCH

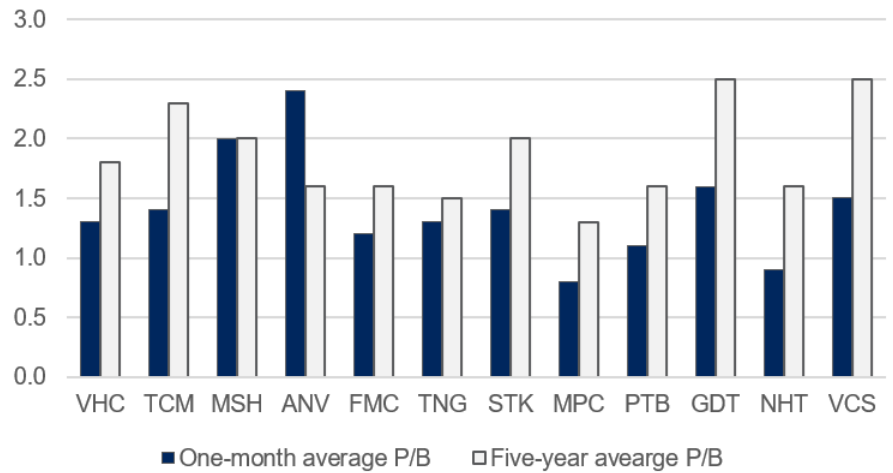
Figure 37: YoY growth of 2Q25 net profit of some listed export companies (ANV recorded loss in 2Q24)



Source: FiinPro, VNDIRECT RESEARCH

With the expectation of a US economic recovery from late 2026, we think the next up-cycle period of Vietnamese exports will start in 3Q26. Thus, we do not think export stocks are attractive for mid-term trading, in general.

Figure 38: Most export stocks trade far below their five-year average P/B



Source: FiinPro, VNDIRECT RESEARCH

- For a long-term and value-oriented pick, we like **VHC** for its solid position in the pangasius sector. We have an ADD rating given our TP of VND71,300.
- We also like **MSH** for its adaptability and ability to seize opportunities to be flexible in the new commercial landscape. Similar to VHC, MSH is also trading at a discount, given our TP of VND40,600.
- We also put **ANV** on our watchlist thanks its new interesting growth strategy, which is starting a new expansion cycle with new factories.

Figure 39: We like VHC and MSH

Ticker	Investment thesis	Target price (VND/share)	Revenue (VNDbn)			% YoY		NPAT-MI (VNDbn)			% YoY	
			2024A	2025E	2026F	2025E	2026F	2024A	2025E	2026F	2025E	2026F
VHC	- 20% tariff is manageable for VHC - 2H25 exported pangasius volume to ease following a strong front-loading period - Stable US and EU sales while China remains a drag - Widening margin is backed by persistent low input costs	71,300	12,514	12,259	12,984	-2.0%	5.9%	1,226	1,405	1,530	14.6%	8.9%
MSH	- 20% tariff poses several challenges but Vietnam to maintain firm stance - Slower order growth in 2025/26 following tariff hikes, weaker consumption - Gross margin to slightly broaden on stable ASP, favorable FX	40,600	5,280	5,149	5,281	-2.5%	2.6%	413	446	469	8.1%	5.3%

Source: VNDIRECTRESEARCH

Figure 40: Peers comparable (data as of 2025/10/25)

Company	Ticker	Market cap	1H25 revenue	1H25 net profit	ROE	TTM P/E	Current P/B	D/E as of 2Q25
		USDmn	% YoY	% YoY	x	x	x	x
Listed pangasius exporters in Vietnam								
Nam Viet Corp	ANV	311.0	28.2%	3080.3%	16.8%	16.4	2.5	0.6
IDI Corp	IDI	79.7	-2.9%	70.7%	2.6%	24.2	0.6	1.6
Vinh Hoan Corp	VHC	465.2	-3.5%	41.9%	16.3%	8.4	1.3	0.3
Listed shrimp exporters in Vietnam								
Sao Ta Corp	FMC	87.5	43.0%	-0.9%	14.1%	7.7	1.1	1.0
Minh Phu Corp	MPC	247.5	-0.3%	287.2%	-0.6%	(222.5)	1.3	0.8
Listed T&G exporters in Vietnam								
Binh Duong Garments	BDG	37.4	1.4%	-15.3%	25.2%	6.4	1.5	0.7
Hoa Tho Garments	HTG	61.5	13.8%	65.6%	37.4%	4.6	1.6	1.9
Song Hong Garments	MSH	146.9	19.0%	91.6%	27.7%	7.3	1.9	1.1
Century Corp	STK	92.9	24.7%	-152.7%	5.6%	25.3	1.4	1.2
Thanh Cong Textiles & Garments	TCM	123.2	5.8%	19.0%	13.3%	10.7	1.4	0.8
TNG Investment & Trading JSC	TNG	87.0	14.5%	25.8%	18.6%	6.6	1.2	2.7
Viet Tien Garments	VGG	73.4	4.9%	42.2%	19.3%	4.8	0.9	1.6
Vinatex	VGT	230.8	9.3%	231.3%	9.2%	9.5	0.9	1.1
Listed material exporters in Vietnam								
Duc Thanh Wood JSC	GDT	19.6	-10.3%	40.5%	20.7%	7.8	1.6	0.7
Phu Tai Corp	PTB	131.1	15.8%	21.0%	14.0%	8.4	1.2	0.8
Vicostone	VCS	288.2	-5.0%	-17.8%	14.0%	10.4	1.5	0.3

Source: VNDIRECT RESEARCH

Source: VNDIRECT RESEARCH

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Stock Ratings

Definition:

Add	The stock's total return is expected to reach 15% or higher over the next 12 months.
Hold	The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
Reduce	The stock's total return is expected to fall below negative 10% over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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