PAN VN

Not Rated

Close 04 Feb 2025

Price	VND 26,800
12M Target	N/A

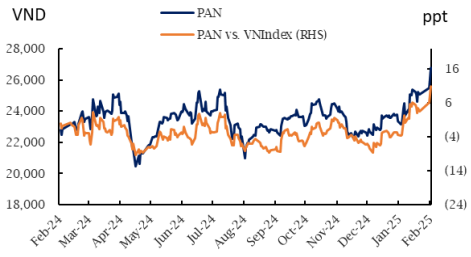
What's new?

- 4Q24 revenue increased modestly by 1.7% YoY, reaching VND 4.3tn.
- 4Q24 PAT rose 17.7% YoY to VND 427bn.
- 2024 revenue rose 23% YoY to VND 16.2tn, reaching 109% of the target.
- 2024 PAT jumped 40% YoY to VND 1.1tn, hitting 130% of the target.
- In 2025, BOD projects 15-20% growth in agriculture, 7-10% in aquaculture, and 10-15% in packaged food.

Key inferences

- Sluggish 4Q24 sales growth was due to a -7.9% YoY drop in agriculture revenues off a high base.
- But PAN reports higher prices across all three key segments.
- Net debt-to-equity ratio was 99% in 4Q24, up from 91% in 2023 but down from 129% in 3Q24.
- But balance sheet liquidity appears reasonable, as CDs account for 86% of short-term debt.
- PAN's TTM PER of 9.0x is below the peer median of 17.2x and -1 SD below its 5-year average.

Company profile: The Pan Group JSC (PAN VN, Not Rated) is a pioneer in Vietnam's agriculture and food industries. Structured as a holding company, Group members include agriculture & aquaculture firms and suppliers of packaged foods. PAN Group ships this wide array of products to both the domestic market (>450 distributors and 145,000 points of sale in 63 provinces and cities nationwide) and over 35 international markets. A 12.7%-owned associate of SSI Securities (BUY), PAN's is led by SSI's founder/ chairman Nguyen Duy Hung, who controls a total effective stake of 24.9% in PAN. See PAN's website here.



Share price performance relative to VN

Market cap	US$219mn
6M avg. Daily turnover	US$1.1mn
Outstanding shares	209mn
Free float	65%
FINI ownership	19.6%
Major shareholders	24.1%
TTM P/E	9.0x
Current P/B	1.1x
Trading platform	HOSE
FOL Room	29.4%

Financial outlook (VND bn)

Year to Dec	2021A	2022A	2023A	2024A
Sales	9,463	14,095	13,717	16,761
Op. Profit	556	834	952	1,329
PATMI	296	374	406	594
EPS (VND)	1,418	1,790	1,943	2,846
EPS chg (%)		26%	9%	46%
P/E (x)	11.9	11.7	13.1	9.3

Sources: PAN, Fiinpro-X, Yuanta Vietnam

PAN Group JSC (PAN VN)

2024 Results Exceed Targets

Event

We recently met with PAN's management to discuss their 4Q24 business results.

Details

4Q24 revenue rose slightly by 1.7% YoY to VND 4.3tn. The growth slowdown was primarily due to a 7.9% YoY decline in agricultural revenue—a key segment alongside aquaculture and packaged food—which fell to VND 1.8tn.

Weak agricultural revenue growth was partly due to the high base of 4Q23, according to management. PAN also accumulated substantial inventory after the earlier period. But with demand from distributors and end consumers weakening in 2024, PAN prioritized inventory liquidation and receivables management over sales growth, and this was especially clear in 4Q24.

However, 4Q24 PAT increased 17.7% YoY to VND 427bn, driven by improved selling prices across all three core business segments.

Full-year 2024 revenue grew 23% YoY to VND 16.2tn, achieving 109% of the company's annual target.

2024 PAT surged by 40% YoY to VND1.1tn, or 130% of full-year guidance.

2025 revenue growth targets. Management expects growth of 15-20% for agriculture, 7-10% for aquaculture, and 10-15% for packaged food. PAN plans to maintain a minimum cash dividend of VND 500 per share, equivalent to a 1.9% dividend yield based on the closing price on Feb 4, 2025.

Leverage could be a consideration here: PAN's net debt-to-equity ratio reached 99% in 4Q24, down from 129% in 3Q24. The company states that most of its loans are used to finance CDs. As of end-4Q24, PAN's CDs amounted to VND9.9tn, or 41% of total assets. Thus, CDs represent 86% of short-term debt.

PAN's TTM PER of 9.0x is well below the peer median of 17.2x. It is currently trading at -1SD below its 5-year historical mean PE ratio. This is despite rising by 13.4% since we published our 3Q24 earnings update on October 24.

Research Analysts:

An Nguyen

+84 28 3622 6868 ext 3958

An.nguyen@yuanta.com.vn

Binh Truong

+84 28 3622 6868 ext 3845

Binh.truong@yuanta.com.vn

Bloomberg code: YUTA

Income Statement	FY 2020 31/12/2020	FY 2021 31/12/2021	FY 2022 31/12/2022	FY 2023 31/12/2023	FY 2024 31/12/2024
Revenue	8,328,079	9,247,118	13,640,606	13,188,600	16,183,667
Other Revenue	1,172	1,455	14,497	15,997	357
Total Revenue	**8,329,251**	**9,248,572**	**13,655,103**	**13,204,597**	**16,184,024**
Cost Of Goods Sold	6,792,152	7,498,229	10,918,623	10,544,753	12,819,595
Gross Profit	**1,537,099**	**1,750,343**	**2,736,480**	**2,659,843**	**3,364,429**
Selling General & Admin Exp.	1,068,301	1,131,091	1,659,145	1,512,872	2,220,092
R & D Exp.	-	-	-	-	-
Depreciation & Amort.	389,485	-	282,040	341,614	393,745
Other Operating Expense/(Income	(256,898)	168,350	(74,862)	(134,138)	(393,745)
Operating Expense., Total	**1,200,888**	**1,299,441**	**1,866,323**	**1,720,347**	**2,220,092**
Operating Income	**336,211**	**450,903**	**870,157**	**939,496**	**1,144,337**
Interest Expense	268,052	219,053	242,407	456,474	353,685
Interest Income	234,227	163,885	205,860	466,973	432,017
Net Interest Exp.	**33,825**	**55,168**	**36,548**	**(10,499)**	**(78,332)**
Currency Exchange (Gains) Loss	(16,037)	(19,905)	(9,186)	(15,616)	(61,078)
Other Non-Operating Exp. (Inc)	(311,277)	(310,150)	(295,423)	(457,373)	(476,736)
EBT Excl. Unusual Items	**629,701**	**725,790**	**1,138,217**	**1,422,984**	**1,760,483**
Impairment of Goodwill	-	-	-	-	-
Gain (Loss) On Sale Of Assets	7,412	(604)	(93,781)	(14,645)	-
Asset Writedown	-	-	-	-	-
Legal Settlements	-	-	-	-	-
Other Unusual Items	226,815	164,489	299,640	481,618	432,017
EBT Incl. Unusual Items	**395,473**	**561,905**	**932,358**	**956,011**	**1,328,466**
Income Tax Expense	62,250	49,885	138,056	138,894	180,814
Earnings from Cont. Ops.	**333,223**	**512,019**	**794,302**	**817,117**	**1,147,652**
Extraord. Item & Account. Change	-	-	-	-	-
Minority Int. in Earnings	144,922	214,597	420,334	411,196	553,209
Net Income	**188,301**	**297,422**	**373,969**	**405,921**	**594,443**

Cash Flow	FY 2020 31/12/2020	FY 2021 31/12/2021	FY 2022 31/12/2022	FY 2023 31/12/2023	FY 2024 31/12/2024
Net Income	**188,301**	**297,422**	**373,969**	**405,921**	**594,443**
Depreciation & Amort., Total	**389,485**	**392,750**	**426,296**	**497,405**	**526,895**
Other Non-Cash Adj	38,331	79,687	344,559	391,394	531,610
Changes in Non-Cash Capital	(587,664)	(1,974,767)	144,998	(5,068,064)	(2,567,105)
Cash from Ops.	**28,453**	**(1,204,908)**	**1,289,821**	**(3,773,343)**	**(914,157)**
Capital Expenditure	(245,514)	(591,552)	(672,270)	(341,088)	(281,364)
Sale of Property, Plant, and Equipment	118,255	10,317	236,195	23,629	15,037
Cash Acquisitions	-	-	-	-	-
Proceeds from Investment	-	-	-	-	-
Divestitures	-	-	-	-	-
Invest. in Marketable & Equity Securt.	-	-	-	-	-
Other Investing Activities	-	-	-	-	-
Cash from Investing	**(127,259)**	**(581,235)**	**(436,075)**	**(317,459)**	**(266,327)**
Net Short Term Debt Issued/Repaid	-	-	-	-	-
Long-Term Debt Issued	12,445,774	11,700,610	13,496,470	20,217,601	21,722,428
Long-Term Debt Repaid	(11,717,535)	(10,551,125)	(13,453,133)	(16,381,288)	(18,999,941)
Total Debt Issued/Repaid	**728,239**	**1,149,485**	**43,337**	**3,836,313**	**2,722,487**
Pref. Dividends Paid	(57,992)	(185,468)	(150,284)	(174,457)	(602,460)
Total Dividends Paid	**(57,992)**	**(185,468)**	**(150,284)**	**(174,457)**	**(602,460)**
Increase in Capital Stocks	-	471,923	-	-	-
Decrease in Capital Stocks	(167,139)	-	-	-	-
Special Dividend Paid	-	-	-	-	-
Incr(Decr) in Deposits	-	-	-	-	-
Incr(Decr) Insurance Reserves	-	-	-	-	-
Other Financing Activities	(512)	250	(4,852)	2,711	-
Cash from Financing	**502,596**	**1,436,190**	**(111,799)**	**3,664,567**	**2,120,027**
Net Change in Cash	**403,789**	**(349,952)**	**741,948**	**(426,236)**	**939,544**

Source: Bloomberg, Yuanta Vietnam

Balance Sheet	FY 2020 31/12/2020	FY 2021 31/12/2021	FY 2022 31/12/2022	FY 2023 31/12/2023	FY 2024 31/12/2024
ASSETS					
Cash And Equivalents	2,025,757	2,841,257	1,837,987	1,402,443	2,973,806
Short Term Investments	1,103,799	2,943,757	2,988,113	7,291,279	10,583,194
Total Cash & ST Investments	**3,129,555**	**5,785,013**	**4,826,100**	**8,693,721**	**13,557,000**
Accounts & Notes Receivable	1,214,481	1,376,430	1,876,453	2,165,516	1,259,090
Total Receivables	**1,214,481**	**1,376,430**	**1,876,453**	**2,165,516**	**1,259,090**
Inventories	1,453,935	2,525,662	3,049,409	3,083,430	3,098,515
Prepaid Exp.	-	-	-	-	-
Restricted Cash	-	-	-	-	-
Other Current Assets	371,082	371,851	362,958	338,111	384,684
Total Current Assets	**6,169,053**	**10,058,956**	**10,114,920**	**14,280,779**	**18,299,290**
Net Property, Plant & Equipment	**2,245,499**	**2,943,729**	**3,190,682**	**3,204,143**	**3,238,468**
Long-term Investments	226,103	446,454	639,912	645,567	643,632
Deferred Charges, LT	19,752	17,355	21,788	31,656	44,080
Other Long-Term Assets	2,675,888	2,062,892	2,114,296	2,025,995	1,627,268
Total Assets	**11,336,295**	**15,529,386**	**16,081,598**	**20,188,141**	**23,852,738**
LIABILITIES					
Accrued Exp.	348,931	663,055	982,489	859,310	956,015
Short-term Borrowings	2,560,621	3,837,672	5,120,935	8,379,312	11,441,475
Accounts Payable	298,219	770,115	1,122,537	927,323	522,347
Curr. Income Taxes Payable	46,175	70,827	57,579	126,117	135,465
Other Current Liabilities	385,509	651,077	529,096	573,614	1,329,814
Total Current Liabilities	**3,639,455**	**5,992,745**	**7,812,636**	**10,865,677**	**14,385,116**
Long-Term Debt	1,258,250	1,152,068	4,215	602,733	259,057
Unearned Revenue, Non-Current	-	-	-	-	366
Other Non-Current Liabilities	265,436	449,832	386,364	376,283	369,186
Total Liabilities	**5,163,142**	**7,594,645**	**8,203,214**	**11,844,692**	**15,013,726**
Pref. Stock, Non-Redeem.	-	-	-	-	-
Total Pref. Equity	**-**	**-**	**-**	**-**	**-**
Minority Interest	2,431,835	3,806,838	3,386,259	3,556,082	3,794,813
Common Stock	2,163,586	2,163,586	2,163,586	2,162,946	2,162,946
Additional Paid In Capital	904,737	904,737	904,737	904,737	904,737
Retained Earnings	522,661	865,222	1,186,122	1,452,297	1,668,751
Treasury Stock	(167,829)	(167,829)	(167,829)	(167,189)	(167,189)
Comprehensive Inc. and Other	318,164	362,186	405,509	434,574	474,954
Total Equity	**6,173,154**	**7,934,741**	**7,878,384**	**8,343,448**	**8,839,012**
Total Liabilities And Equity	**11,336,295**	**15,529,386**	**16,081,598**	**20,188,141**	**23,852,738**

Ratios	FY 2020 31/12/2020	FY 2021 31/12/2021	FY 2022 31/12/2022	FY 2023 31/12/2023	FY 2024 31/12/2024
Profitability					
Return on Assets	1.7%	2.2%	2.4%	2.2%	2.7%
Return on Capital	5.8%	6.2%	7.7%	8.0%	7.7%
Return on Equity	5.0%	5.9%	6.7%	8.7%	12.1%
Margin Analysis					
Gross Margin	18.5%	18.9%	20.0%	20.1%	20.8%
SG&A Margin	--	--	--	--	--
EBITDA Margin	8.7%	9.1%	9.5%	10.9%	10.3%
EBIT Margin	4.0%	4.9%	6.4%	7.1%	7.1%
Earnings from Cont. Ops Margin	4.0%	4.9%	6.4%	7.1%	7.1%
Net Income Margin	2.3%	3.2%	2.7%	3.1%	3.7%
Normalized Net Income Margin	2.3%	2.5%	1.6%	3.0%	3.7%
Free Cash Flow Margin	-2.6%	-19.4%	4.5%	-31.2%	-7.4%
Asset Turnover					
Total Asset Turnover	0.8x	0.7x	0.9x	0.7x	0.7x
Fixed Asset Turnover	3.5x	3.6x	4.5x	4.1x	5.0x
Accounts Receivable Turnover	3.5x	3.6x	4.5x	4.1x	5.0x
Inventory Turnover	4.7x	3.8x	3.9x	3.4x	4.1x
Short Term Liquidity					
Current Ratio	1.7x	1.7x	1.3x	1.3x	1.3x
Quick Ratio	1.2x	1.2x	0.9x	1.0x	1.0x
Cash from Ops. To Curr Liab	0.9x	1.0x	0.6x	0.8x	0.9x
Avg. Days Sales Out.	41.8x	51.1x	43.5x	55.9x	38.7x
Avg. Days Inventory Out.	77.1x	96.9x	93.2x	106.1x	88.2x
Avg. Days Payable Out.	18.2x	22.8x	30.2x	35.4x	20.7x
Avg. Cash Conversion Cycle	100.7x	125.2x	106.5x	126.6x	106.3x
Long Term Solvency					
Total Debt/Equity	61.9%	62.9%	65.1%	107.7%	132.4%
Total Debt/Capital	38.2%	38.6%	39.4%	51.8%	57.0%
LT Debt/Equity	33.6%	27.9%	0.1%	12.6%	5.1%
LT Debt/Capital	12.6%	8.9%	0.0%	3.5%	1.3%
Total Liabilities/Total Assets	13.4%	10.3%	2.4%	4.8%	2.6%
EBIT / Interest Exp.	1.25x	2.06x	3.59x	2.06x	3.24x
EBITDA / Interest Exp.	2.71x	3.85x	5.35x	3.15x	4.73x
(EBITDA-CAPEX) / Interest Exp.	1.79x	1.15x	2.57x	2.40x	3.93x
Total Debt/EBITDA	5.26x	5.91x	3.95x	6.25x	7.00x
Net Debt/EBITDA	0.95x	-0.94x	0.23x	0.20x	-1.11x

Appendix A: Important Disclosures

Analyst Certification
Each research analyst primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report.

Ratings Definitions
BUY: We have a positive outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors add to their position.
HOLD-Outperform: In our view, the stock's fundamentals are relatively more attractive than peers at the current price. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile.
HOLD-Underperform: In our view, the stock's fundamentals are relatively less attractive than peers at the current price. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile.
SELL: We have a negative outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors reduce their position.
Under Review: We actively follow the company, although our estimates, rating and target price are under review.
Restricted: The rating and target price have been suspended temporarily to comply with applicable regulations and/or Yuanta policies.

Note: Yuanta research coverage with a Target Price is based on an investment period of 12 months. Greater China Discovery Series coverage does not have a formal 12 month Target Price and the recommendation is based on an investment period specified by the analyst in the report.

Global Disclaimer
 The information in this report has been compiled from sources we believe to be reliable, but we do not hold ourselves responsible for its completeness or accuracy. It is not an offer to sell or solicitation of an offer to buy any securities. All opinions and estimates included in this report constitute our judgment as of this date and are subject to change without notice.

This report provides general information only. Neither the information nor any opinion expressed herein constitutes an offer or invitation to make an offer to buy or sell securities or other investments. This material is prepared for general circulation to clients and is not intended to provide tailored investment advice and does not take into account the individual financial situation and objectives of any specific person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities, investments or investment strategies discussed or recommended in this report. The information contained in this report has been compiled from sources believed to be reliable but no representation or warranty, express or implied, is made as to its accuracy, completeness or correctness. This report is not (and should not be construed as) a solicitation to act as securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on such business in that jurisdiction.

Yuanta research is distributed in the United States only to Major U.S. Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended and SEC staff interpretations thereof). All transactions by a US person in the securities mentioned in this report must be effected through a registered broker-dealer under Section 15 of the Securities Exchange Act of 1934, as amended. Yuanta research is distributed in Taiwan by Yuanta Securities Investment Consulting. Yuanta research is distributed in Hong Kong by Yuanta Securities (Hong Kong) Co. Limited, which is licensed in Hong Kong by the Securities and Futures Commission for regulated activities, including Type 4 regulated activity (advising on securities). In Hong Kong, this research report may not be redistributed, retransmitted or disclosed, in whole or in part or and any form or manner, without the express written consent of Yuanta Securities (Hong Kong) Co. Limited.

Taiwan persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research
Yuanta Securities Investment Consulting
4F, 225,
Section 3 Nanking East Road, Taipei 104
Taiwan

Hong Kong persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research
Yuanta Securities (Hong Kong) Co. Ltd
23/F, Tower 1, Admiralty Centre
18 Harcourt Road,
Hong Kong

Korean persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Head Office

Yuanta Securities Building
Euljiro 76 Jung-gu
Seoul, Korea 100-845
Tel: +822 3770 3454

Indonesia persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research
PT YUANTA SECURITIES INDONESIA
(A member of the Yuanta Group)
Equity Tower, 10th Floor Unit EFGH
SCBD Lot 9
Jl. Jend. Sudirman Kav. 52-53
Tel: (6221) - 5153608 (General)

Thailand persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Research department
Yuanta Securities (Thailand)
127 Gaysorn Tower, 16th floor
Ratchadamri Road, Pathumwan
Bangkok 10330

Vietnam persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Research department
Yuanta Securities (Vietnam)
4th Floor, Saigon Centre
Tower 1, 65 Le Loi Boulevard,
Ben Nghe Ward, District 1,
HCMC, Vietnam

For U.S. persons only: This research report is a product of Yuanta Securities Vietnam Limited Company, under Marco Polo Securities 15a-6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

Research reports are intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Yuanta Securities Vietnam Limited Company has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be affected through Marco Polo or another U.S. registered broker dealer.

YUANTA SECURITIES NETWORK

YUANTA SECURITIES VIETNAM OFFICE

Head office: 4th Floor, Saigon Centre, Tower 1, 65 Le Loi Boulevard, Ben Nghe Ward, District 1, HCMC, Vietnam

Institutional Research

Institutional Research

Matthew Smith, CFA
Head of Research
Tel: +84 28 3622 6868 (ext. 3815)
matthew.smith@yuanta.com.vn

Binh Truong
Deputy Head of Research (O&G, Energy)
Tel: +84 28 3622 6868 (3845)
binh.truong@yuanta.com.vn

Tam Nguyen
Analyst (Property)
Tel: +84 28 3622 6868 (ext. 3874)
tam.nguyen@yuanta.com.vn

Tanh Tran
Analyst (Banks)
Tel: +84 28 3622 6868 (ext.3874)
tanh.tran@yuanta.com.vn

Di Luu
Assistant Analyst
Tel: +84 28 3622 6868 (ext. 3845)
di.luu@yuanta.com.vn

An Nguyen
Assistant Analyst
Tel: +84 28 3622 6868 (ext. 3958)
an.nguyen@yuanta.com.vn

Institutional Sales

Lawrence Heavey
Head of Institutional Sales
Tel: +84 28 3622 6868 (ext. 3835)
lawrence.heavey@yuanta.com.vn

Tuan-Anh Nguyen
Sales Trader
Tel: +84 28 3622 6868 (ext. 3909)
anh.nguyen2@yuanta.com.vn

Hien Le
Sales Trader
hien.le@yuanta.com.vn

Vi Truong
Sales Trader
vi.truong@yuanta.com.vn

Dat Bui
Sales Trader
dat.bui@yuanta.com.vn