# FMC – Business Results Q1/2026 - In line with the Company's prudent business strategy

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- Net revenue in Q1/2026 reached VND 1,399 billion (-30% YoY), primarily due to a 30% YoY decline in the shrimp segment as both volume and selling prices fell. Specifically, shrimp sales volume reached 4,491 tons (-27% YoY) with an average selling price of VND 305,000/kg (-5% YoY). The sharp decline in volume was driven by the Company's proactive strategy to limit exports to the U.S. market while awaiting the results of the POR19 anti-dumping duty review.
- Gross profit margin improved slightly to 7.2% (from 6.4% in the same period last year), driven by an increase in the shrimp segment's gross margin from 6.2% to 6.7%. This improvement resulted from raw shrimp prices decreasing faster than selling prices (-8% YoY vs. -5% YoY). The SG&A expense-to-revenue ratio decreased to 4.68% as selling expenses dropped sharply by 56% YoY, thanks to lower freight costs following the scale-back in U.S. exports. Consequently, profit before tax reached VND 51.3 billion (+41.1% YoY) and NPAT-MI stood at VND 40.8 billion (+37% YoY).
- While Q1/2026 results were not yet fully robust, we expect export activities to recover starting from Q2/2026 following the POR19 results. Accordingly, we forecast full-year 2026 revenue to reach VND 8,649 billion (+6% YoY) and NPAT-MI of VND 392 billion (+7% YoY), excluding a potential tax reversal from POR20 of approximately VND 150 billion.
- We maintain a **BUY** recommendation for FMC stock with a target price of **VND 50,200/share** for the medium and long term. The outlook from Q2/2026 onwards will be supported by the resumption of exports to the U.S. following positive POR19 results, a push into high-margin value-added products (breaded and battered shrimp), and an increasing self-sufficiency rate in shrimp larvae, which helps stabilize and improve profit margins.

## Q1/2026 Earnings: Slight decline due to the Company's cautious strategy

Net revenue for Q1/2026 reached VND 1,399 billion (-30% YoY), primarily driven by a 30% YoY drop in the shrimp segment as both volume and selling prices declined compared to the same period last year. Sales volume reached 4,491 tons (-27% YoY) and the average selling price stood at VND 305,000/kg (-5% YoY; +15% QoQ).

This decline reflects the Company's proactive strategy to limit exports to the U.S. market while awaiting the results of the POR19 anti-dumping duty review, while also being impacted by EHP disease which reduced the supply of raw shrimp. This was further evidenced by a sharp increase in inventory days, rising by 36 days compared to the same period last year (Table 2).

Despite the decline in revenue, the gross profit margin (GPM) improved slightly to 7.2% (vs. 6.4% in the same period) thanks to growth in both shrimp and agricultural segments as follows:

- Shrimp Segment: gross profit margin (GPM) reached 6.7% (up from 6.2% YoY) as the decline in raw material input prices (-8% YoY) (Figures 5, 6) was faster than the decline in output selling prices (-5% YoY).
- Agricultural Segment: Recorded an impressive breakthrough in performance with GPM increasing from 17.5% to 31.7%. This was achieved by stockpiling low-cost agricultural inventory (frozen vegetables) in Q4/2025 and benefiting from higher selling prices in Q1/2026. Additionally, the agricultural GPM fluctuates significantly (from 20% to 63%) as the Company prioritizes inventory accumulation during low-price periods and shifts wholesale product proportions across quarters.

The SG&A expense-to-revenue ratio decreased to 4.68% (from 5.4% YoY) as selling expenses dropped sharply by 56% YoY, outpacing the 29% YoY decline in revenue. The sharp drop in selling expenses was mainly due to a 56% YoY reduction in freight costs and the absence of anti-subsidy or anti-dumping duties as the Company restricted exports to the U.S. pending POR19 results.

Other income and financial income remained largely unchanged. Consequently, profit before tax (PBT) reached VND 51.3 billion, representing an impressive growth of 41.1% YoY (vs. VND 36.3 billion). NPAT-MI stood at VND 40.8 billion (+37% YoY).

### Expectations for a return to volume growth starting from Q2/2026

Although the parent company's NPAT in Q1/2026 was lower than our forecast due to lower-than-expected selling prices, we maintain a positive outlook on FMC's prospects for the coming quarters based on the following investment theses:

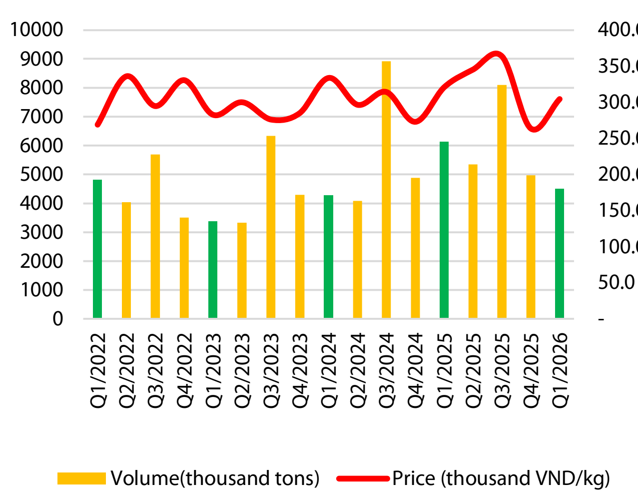
- Momentum from the U.S. market: Resuming exports to the U.S. following the POR19 duty results (with duties lower than expected) will be a major "booster" for volume and revenue in the upcoming quarters.
- GPM improvement via high-value-added (VA) products: Increasing the proportion of high-margin VA goods such as breaded fried shrimp (approx. 28% GPM) and battered shrimp (approx. 18% GPM).
- Rising self-sufficiency in shrimp larvae: Increasing the self-sufficiency rate will continue to bolster profit margins and mitigate the risk of raw material price volatility. The Company has completed one year of pilot testing for larvae self-sufficiency with positive results (reaching approx. 200 million out of 1 billion larvae) and aims for 100% self-sufficiency within the next 5 years.

**Table 1: FMC's Q1/2026 business results**

| Unit: Billion | Q1/2026 | Q1/2025 | +/-YoY | Q4/2025 | +/-QoQ |
|---|---|---|---|---|---|
| **Net Revenue** | **1,399** | **1,990** | **-30%** | **1,335** | **5%** |
| -Shrimp | 1,368 | 1,962 | -30% | 1,310 | 4% |
| *+ Shrimp consumption volume (tons)* | *4,491* | *6,119* | *-27%* | *4,969* | *-10%* |
| *+ Shrimp selling price (thousand VND/kg)* | *305* | *321* | *-5%* | *264* | *16%* |
| - Agricultural products | 31 | 28 | 10% | 25 | 21% |
| *+ Consumption volume (tons)* | *281* | *238* | *18%* | *211* | *33%* |
| *+ Selling price of agricultural products (thousand VND/kg)* | *109* | *118* | *-7%* | *120* | *-9%* |
| **Gross profit** | **101** | **127** | **-21%** | **230** | **-56%** |
| -Shrimp | 91 | 123 | -26% | 214 | -58% |
| - Agricultural products | 10 | 5 | 99% | 16 | -39% |
| ***Gross profit margin*** | ***7.2%*** | ***6.4%*** | +80 bps | ***17.2%*** | -1,004 bps |
| *- Shrimp margin* | *6.6%* | *6.2%* | *+40 bps* | *16%* | *-973 bps* |
| *- Agricultural margin* | *31.8%* | *17.5%* | *+1,433 bps* | *63%* | *-3,106 bps* |
| Selling Expenses | (39) | (88) | -56% | (46) | -16% |
| General and Administration Expenses | (27) | (19) | 42% | (28) | -4% |
| **EBIT** | **31** | **14** | **126%** | **150** | **-79%** |
| Financial income | 32 | 29 | 12% | 32 | 1% |
| Financing Expenses | (17) | (13) | 29% | (22) | -23% |
| Other income | 1 | 1 | 28% | 1 | 123% |
| PBT | 51 | 36 | 41% | 166 | -69% |
| PAT | 51 | 38 | 35% | 135 | -62% |
| **NPAT-MI** | **41** | **30** | **38%** | **141** | **-71%** |
| NPAT-MI Margin | 2.9% | 1.5% | +143 bps | 10.6% | -768 bps |

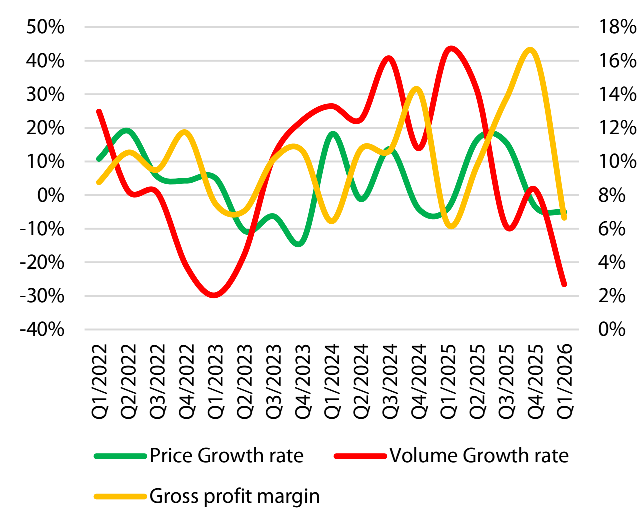
*Source: FMC, RongViet Securities*

**Figure 1: FMC's quarterly average shrimp selling price (thousand VND/kg, left) and growth (%, right)**



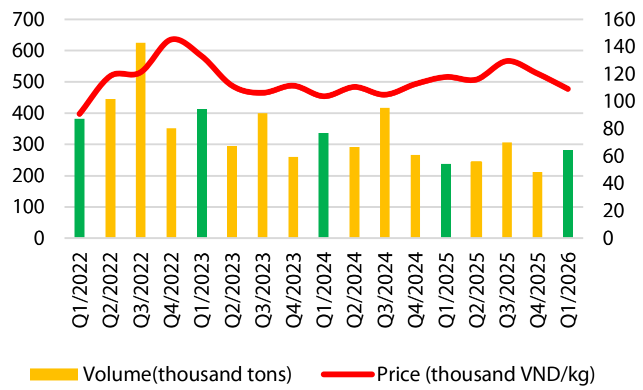

*Source: FMC, RongViet Securities*

**Figure 2: Price and production growth (%, right) and aggregate margin of shrimp segment (%, left)**



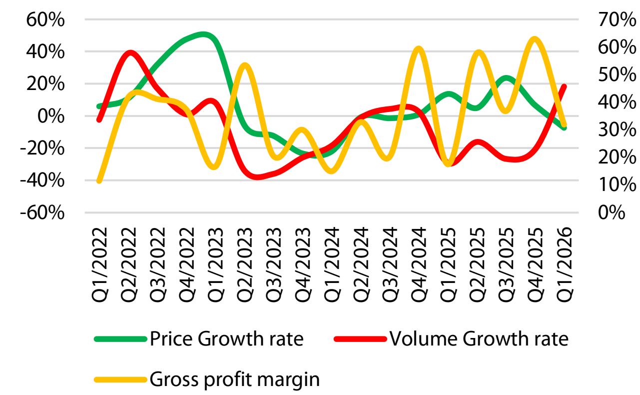

*Source: FMC, RongViet Securities*

**Figure 3: Quarterly Agricultural Product Volume (tons, left) and Selling Price (thousand VND/kg, right)**



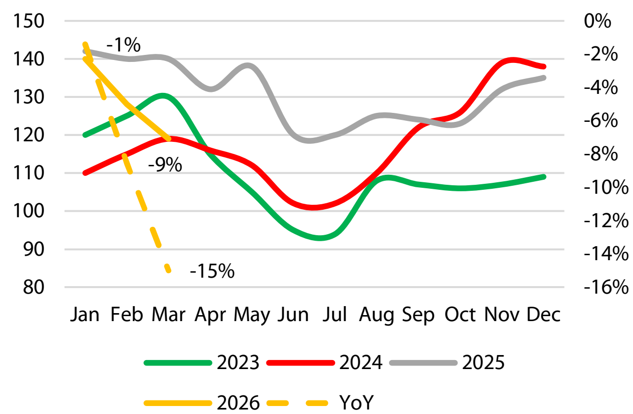

*Source: FMC, RongViet Securities*

**Figure 4: Price and volume growth (%, right) and gross margin of agricultural products (%, left)**



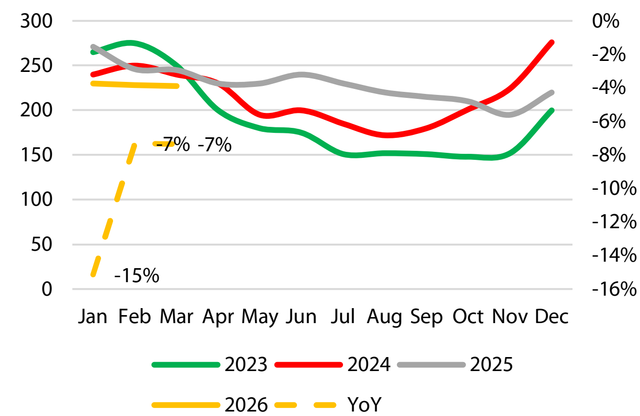

*Source: FMC, RongViet Securities*

**Figure 5: Selling price of raw whiteleg shrimp (thousand VND/kg, left) and growth (%, right)**




*Source: Agromonitor, RongViet Securities*

**Figure 6: Selling price of raw black tiger shrimp (thousand VND/kg, left) and growth (%, right)**




*Source: Agromonitor, RongViet Securities*

**Bảng 2: Các chỉ tiêu chính trong Q1/2026**

| Ratio | Q1-FY26 | Q4-FY25 | +/- (qoq) | Q1-FY25 | +/- (yoy) |
|---|---|---|---|---|---|
| **Profitability ratio** | | | | | |
| Gross Profit | 7% | 17% | -1004 bps | 6% | +80 bps |
| EBITDA/Revenue | 6% | 14% | -778 bps | 3% | +263 bps |
| EBIT/Revenue | 2% | 11% | -901 bps | 1% | +153 bps |
| Net Profit | 3% | 11% | -768 bps | 1% | +143 bps |
| **Operational efficiency** | | | | | |
| Day Inventory on hands | 68 | 72 | (4) | 32 | 36 |
| Days Account Receivable on hands | 32 | 38 | (6) | 31 | 1 |
| Day Account Payable on hand | 20 | 9 | 11 | 7 | 13 |
| **Leverage (%)** | | | | | |
| Total debt/Equity | 40% | 46% | -570 bps | 41% | -40 bps |

*Source: FMC, RongViet Securities*

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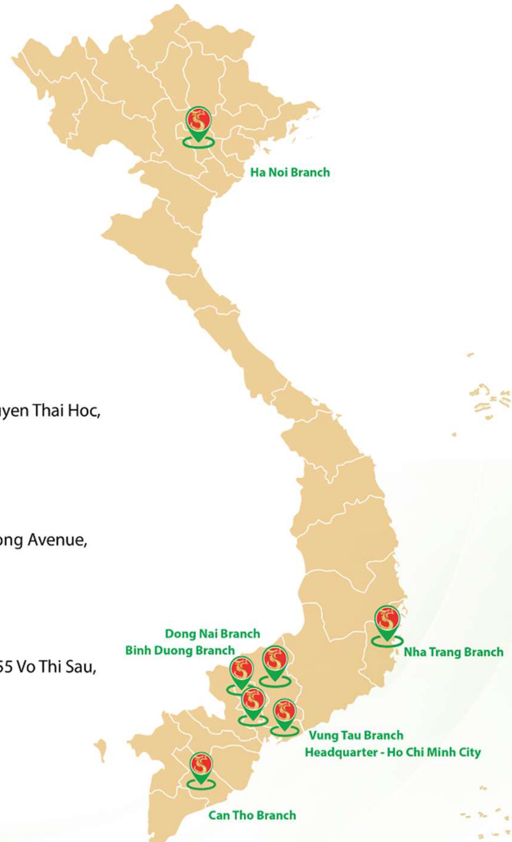



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