



# Deep-Water Ports Are Set to Outperform

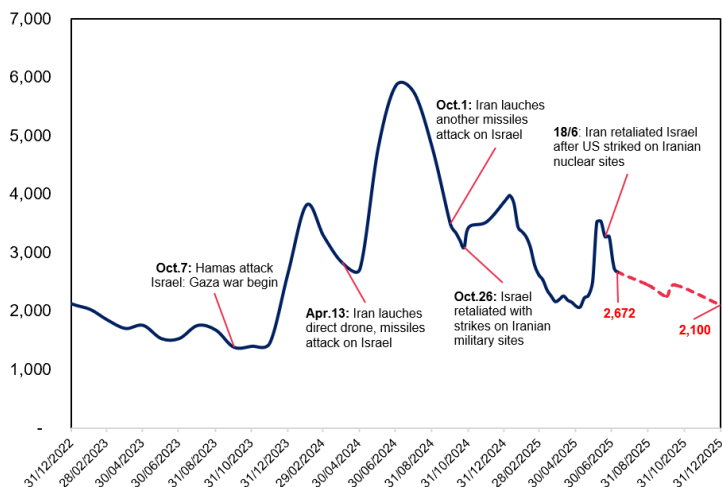
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## Container freight rates are expected to moderating from 3Q/2025

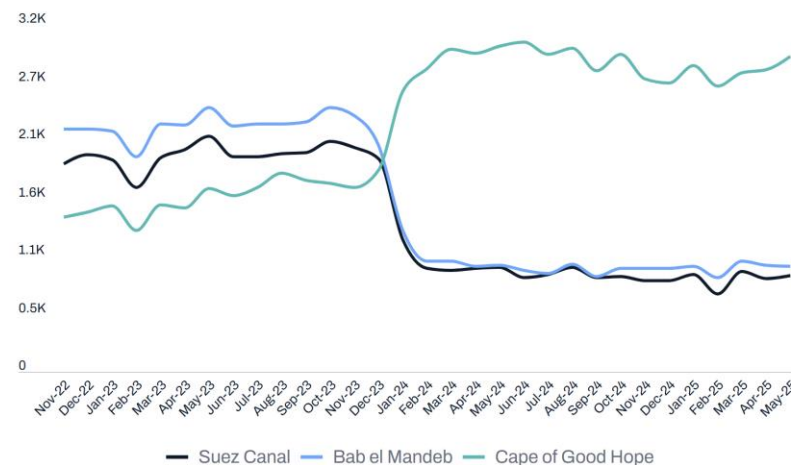
- In 5M2025, container freight rates experienced significant volatility, dropping sharply by 44.5% compared to December 2024 due to seasonal factors, before rebounding strongly by 70.1% from the April 2025 low, driven by early import demand from U.S. retailers during a 90-day tariff deferral period. However, we assess that the upward trend in freight rates will only persist through 2Q2025 before cooling in 2H2025, down to 2,100 USD/40ft at the end of 2025, supported by:
  - (1) Vessel traffic through the Red Sea remained low in May 2025, coupled with renewed escalation of Middle East tensions, leading to increased short-term transportation costs. However, we assess that traffic through the Red Sea will gradually recover in 3Q2025 as tensions ease, combined with a 15% reduction in Suez Canal transit fees, which will encourage shipping lines to redirect service routes to this area.
  - (2) Shipping demand is anticipated to decline in 2H25 as front-loading of imports has inflated US retail inventories, requiring a period of absorption before new shipments are needed.
  - (3) While Fitch Ratings forecasts stable container shipping demand in 2025 (mainly driven by H1 performance), a projected 6% surge in global fleet capacity means we foresee container freight rates adjusting from Q3 2025, particularly as demand eases in the second half of the year.

### World Container Index



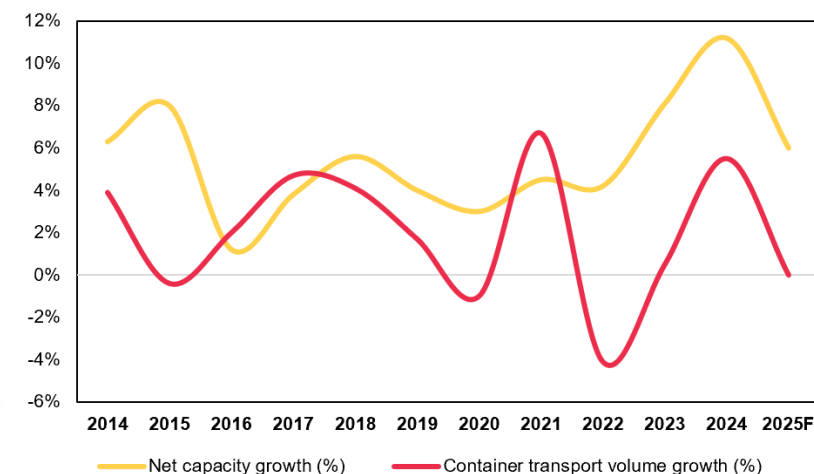
Sources: Drewry, MBS Research

### Traffics through Red sea remain a far cry from normal level



Sources: Lloyd's List Intelligence, MBS Research

### Global Container Shipping: Supply and Demand



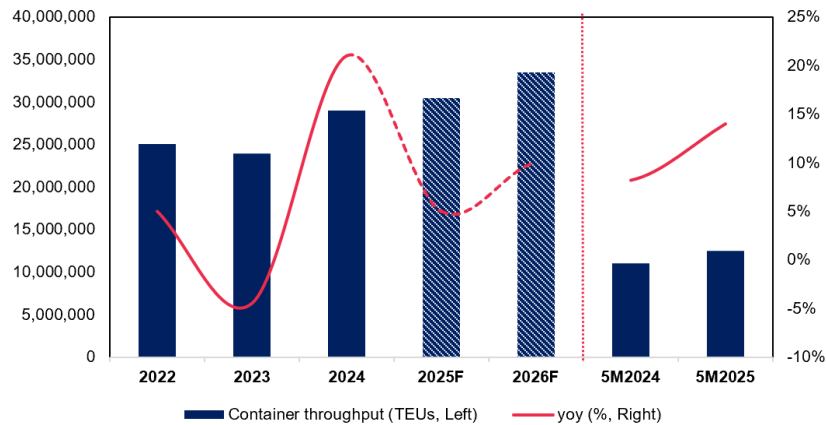
Sources: Fitch Ratings, MBS Research

## Seaport throughput is expected to see a slight decline in 2H2025 before a strong recovery in 2026

National container throughput demonstrated strong growth in the first 5M2025, climbing 22.5% yoy to roughly 12.5 million TEUs. This was fueled by a short-term demand surge, leveraging the 90-day US tariff deferral. Ba Ria – Vung Tau area led this expansion with an exceptional 41.9% yoy increase, hitting approximately 3.3 million TEUs. Hai Phong also contributed significantly, growing around 26.6% yoy to about 2.7 million TEUs. However, we project a modest softening in container throughput for 2H2025, reaching 15.4 milTEU (-0.6% yoy), this will bring the total container volume for 2025 to approximately 30.5 milTEUs (+5% yoy), before recovering to 33.5 milTEUs (+10% yoy) in 2026, supported by:

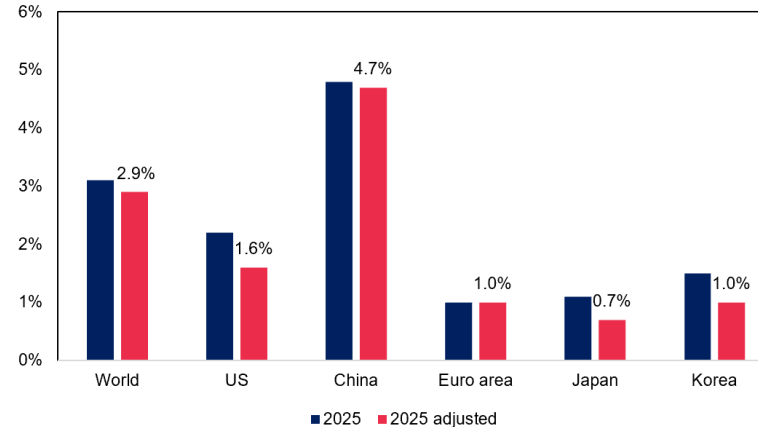
- According to the Organisation for Economic Co-operation and Development (OECD), the economic outlook for Vietnam's key export markets is dimming. Global growth forecasts for 2025 have been revised down to 2.9% from the previous 3.1%, notably in major economies like the US and China. The OECD also adjusted its inflation outlook upwards for 2H2025 in the US and EU. Consequently, we anticipate consumer purchasing power in these markets will weaken in 2H25.
- While front-loading of imports boosted US import/export activity in 1H2025, this trend will likely result in lower US shipping demand during 2H25. Orders were pulled forward, leading to elevated US retail inventory levels through April 2025. Consequently, we believe the US market will require time to absorb existing stock before retailers place new orders.

### Container throughput 5M/2025 increased 22.5% yoy



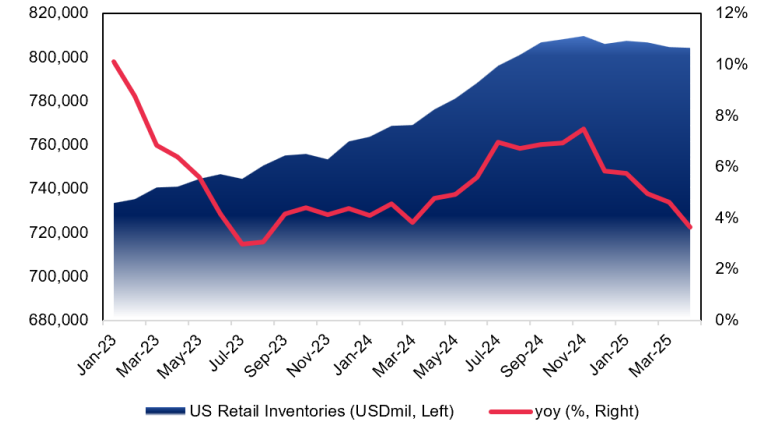
Sources: VIMAWA , MBS Research

### Global GDP is projected to slow down



Sources: OECD, MBS Research

### US Retail Inventories remains at high level



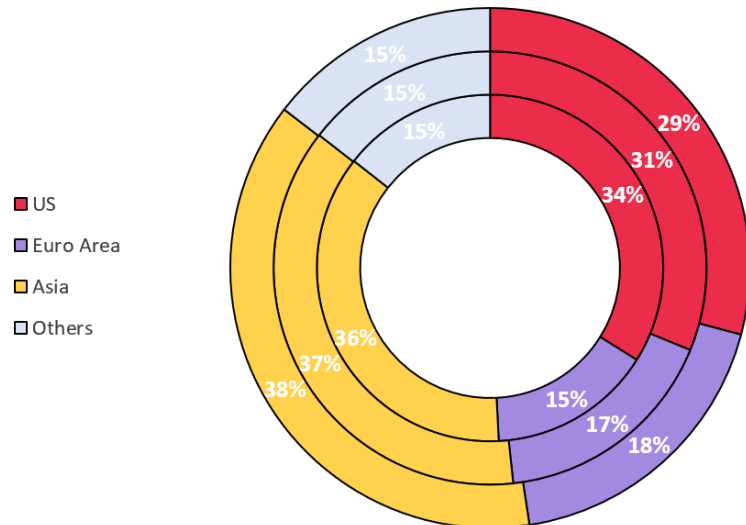
Sources: OECD, MBS Research

### Seaport throughput is expected to see a slight decline in 2H2025 before a strong recovery in 2026.

We anticipate seaport throughput will regain growth momentum in 2026, supported by :

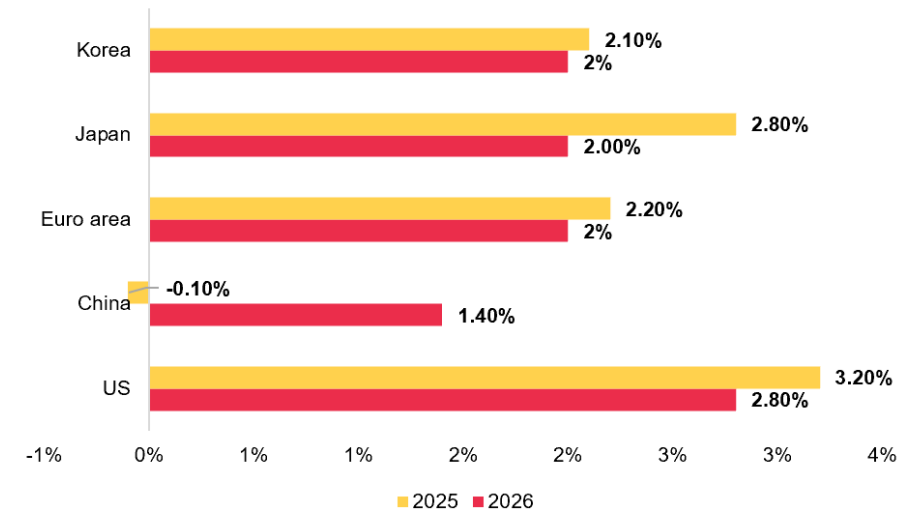
- After three rounds of negotiations, Vietnam and the US have made positive progress in trade talks. We anticipate that Vietnam will benefit from lower tariffs than the initial 46%, in the recent notice from the US, Vietnam will have a tariff rate of 20% for goods 100% originating from Vietnam and 40% for transshipping. Therefore, we believe Vietnam will sustain the competitiveness of its primary export items against regional competitors, especially China. This would help stabilize container throughput across its seaports, especially in Ba Ria – Vung Tau, given that 50-55% of its average cargo volume is destined for or originates from the US.
- Concurrently, the government has moved to support key export sectors like textiles and wood, encouraging expansion into new, high-demand markets such as India and New Zealand. Consequently, we anticipate a shift in Vietnam's export proportion during 2025-2026. Exports to European markets are projected to increase to approximately 17%/19% (from 15.3% in 2024 and 12.3% in 5M2025), and to Asian markets to around 37%/39% (from 36.4% in 2024 and 34% in 5M2025). Conversely, exports to the US are expected to slightly decline to roughly 31%/30% (from 33.9% in 2024 and 31.8% in 5M2025).
- As inflation moderates and consumer purchasing power improves, demand in key markets (EU, China, South Korea, Japan) is projected to rebound in 2026. This comes after the effects of US tariffs manifested in subdued growth and heightened inflation throughout 2025. Such a recovery in demand will revitalize export conditions, significantly boosting cargo volumes at Vietnamese ports.

Export shares to European and Asian markets are set to expand through 2025-2026, contrasting with an anticipated reduction in the US market share (inner circle is 2024 and outer circle is 2026)



Source: MBS Research

Inflation in Vietnam's major export destinations is projected to cool down over 2025-2026

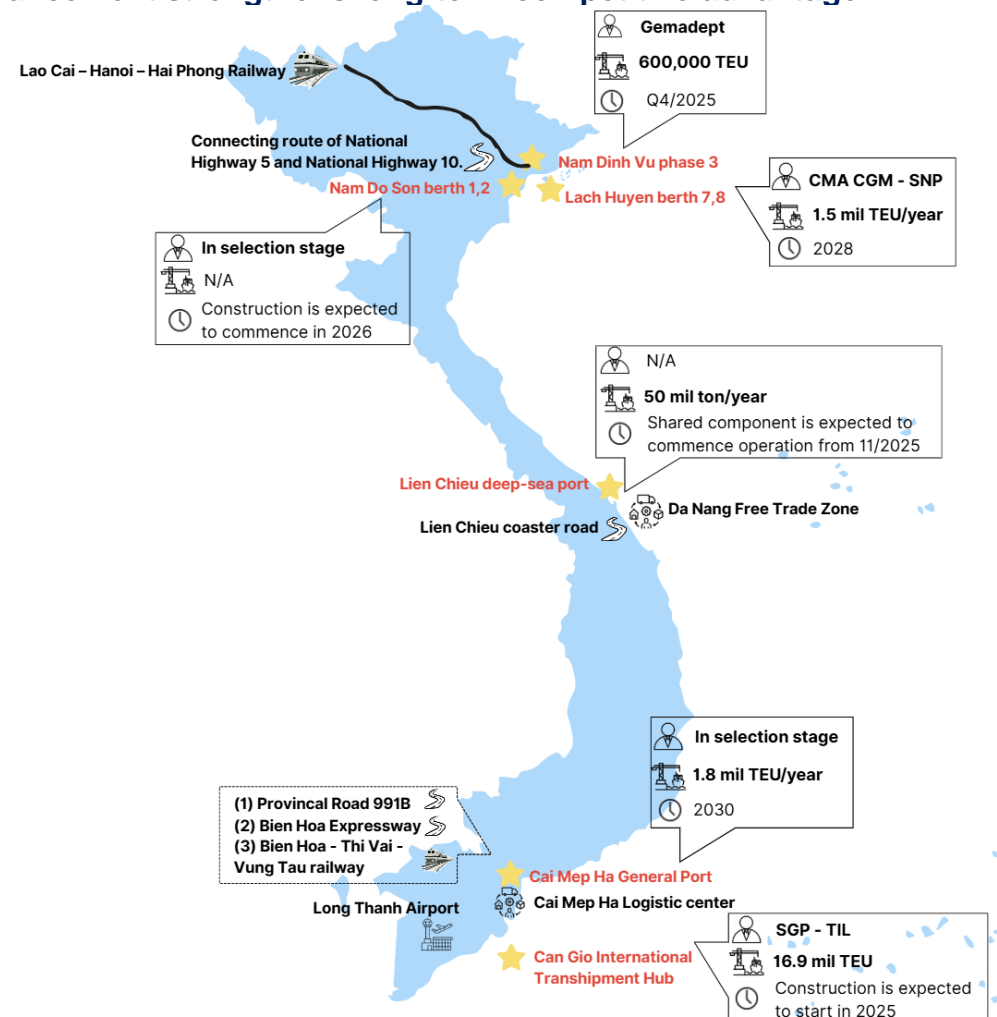


Sources: OECD, MBS Research

## Key supporting infrastructure projects enhancing the operational efficiency of Vietnam's seaport sector.

- According to the Vietnam Maritime Administration, the proliferation of large-tonnage container vessels is an inevitable global maritime trend, driven by the need for operational cost savings and increasing worldwide shipping demand. Consequently, the Ministry of Construction has approved detailed development plans for the three key seaport regions of Hai Phong, Da Nang, and Ho Chi Minh. By 2030, these regions target throughput volumes of 215 million tons, 29 million tons, and 253 million tons, respectively, corresponding to CAGRs of 12.4%, 13.1%, and 6.1%, respectively.
- To fully leverage Vietnam's seaport advantages, the development of supporting infrastructure – including expressways connecting deep-water ports to major industrial and economic zones– is crucial. This aligns with the trend of increasing vessel sizes, resolves transportation bottlenecks, reduces costs for clients, and enhances the competitive edge of Vietnamese ports against regional rivals. Furthermore, combining this with the development of free trade zones and financial centers will attract additional investment and stable container throughputs, thereby boosting the operation efficiency of Vietnam's seaports.

## The strategic focus on deep-water port expansion and infrastructure enhancement strengthens long-term competitive advantage



Sources: MBS Research



## With improved infrastructure and pivotal deep-sea projects, Vietnam are well-positioned to raise service fees

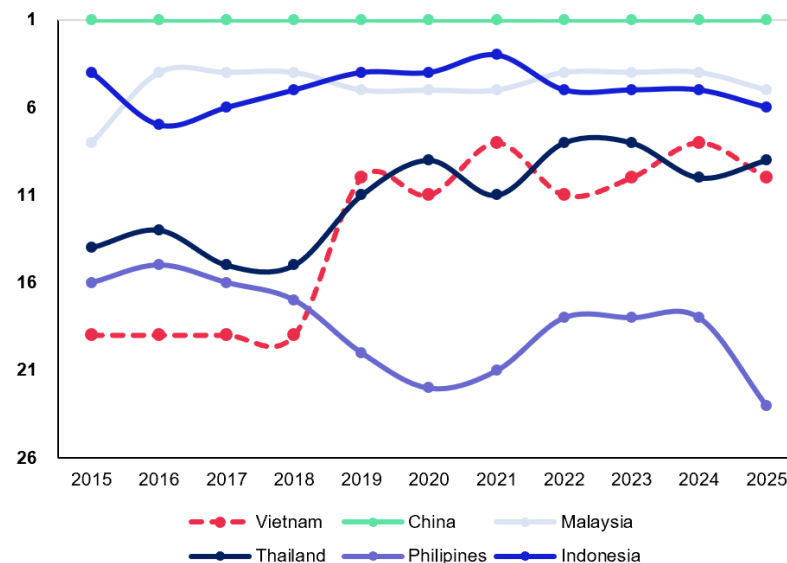
- The Agility's Emerging market Logistic Index (EMLI) shows Vietnam significantly climbing from 19rd place in 2018 to 10rd in 2025, placing it among top 5 in Asia. Notably, the **"International Logistic Opportunities"** criterion, which measures internal and external demand for trade intensive logistics services and the capacity of individual emerging markets to facilitate cross-border logistics operations, saw a marked improvement, rising from 4.89 in 2018 to 5.81 in 2025, we believe that ongoing efforts in deep-water seaport development and supporting infrastructure enhancement will soon elevate Vietnam's seaport sector, positioning it to reach 9th place in the next EMLI assessment in 2026
- Despite a 10% adjustment in 2024, Vietnam's container handling fees are still only 50-60% of those at leading regional ports such as Singapore, Hong Kong, and China. Given Vietnam's deep-water port development potential and improving supporting infrastructure, we anticipate significant growth potential for handling fees in 25-26. We expect that handling rates at Cam River ports will stabilize in 2025-2026 amid sustained competitive pressure. Conversely, deep-water ports in Lach Huyen and Ba Ria – Vung Tau are forecast to experience a slight 10% increase from 2026, spurred by growing demand.

### Vietnam's EMLI score from 2018-25

	2018	2019	2020	2021	2022	2023	2024	2025
<b>Overall score</b>	<b>5.46</b>	<b>5.48</b>	<b>5.52</b>	<b>5.67</b>	<b>5.55</b>	<b>5.52</b>	<b>5.73</b>	<b>5.52</b>
<b>Domestic Opportunities</b>	5.99	4.88	4.94	5.04	5.02	5.02	5.11	5.09
<b>International Opportunities</b>	4.89	6.12	6.17	6.41	6.01	6.03	5.87	5.81
<b>Business Fundamentals</b>	5.38	5.31	5.37	5.44	5.48	5.61	5.99	6.01
<b>Digital Readiness</b>					5.75	5.43	5.29	5.37

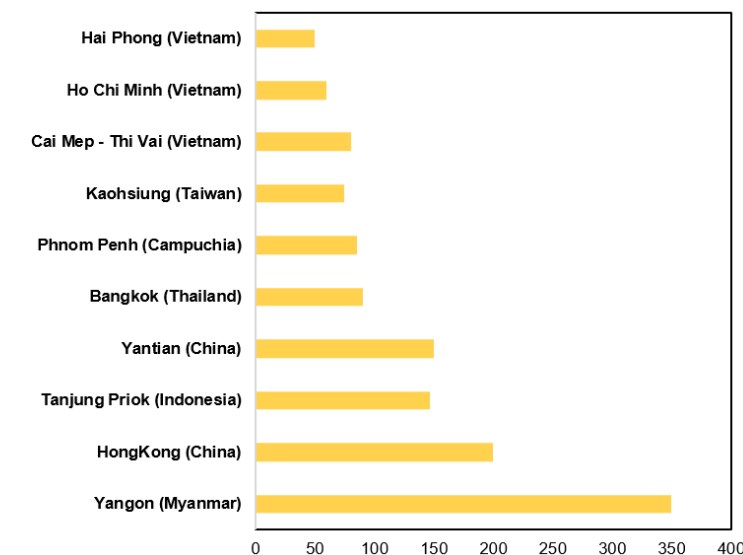
Sources: Agility, MBS Research

### EMLI ranking in Asia area from 2015-25



Sources: Agility, MBS Research

### Vietnam's container handling fees remain significantly lower compare to major regional ports



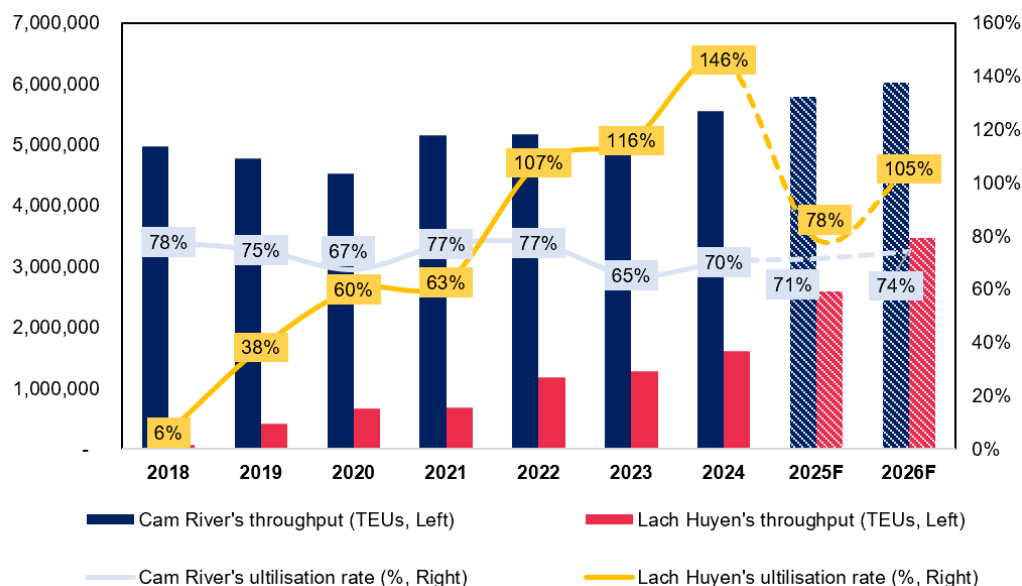
Sources: VPA, MBS Research

## The trend of shifting from river ports towards deep-water ports is increasingly pronounced

With the increasing vessel sizes and the continuous improvement of logistical support systems for deep-water ports, we anticipate enhanced efficiency at the Lach Huyen and Ba Ria – Vung Tau deep-water ports compared to river ports:

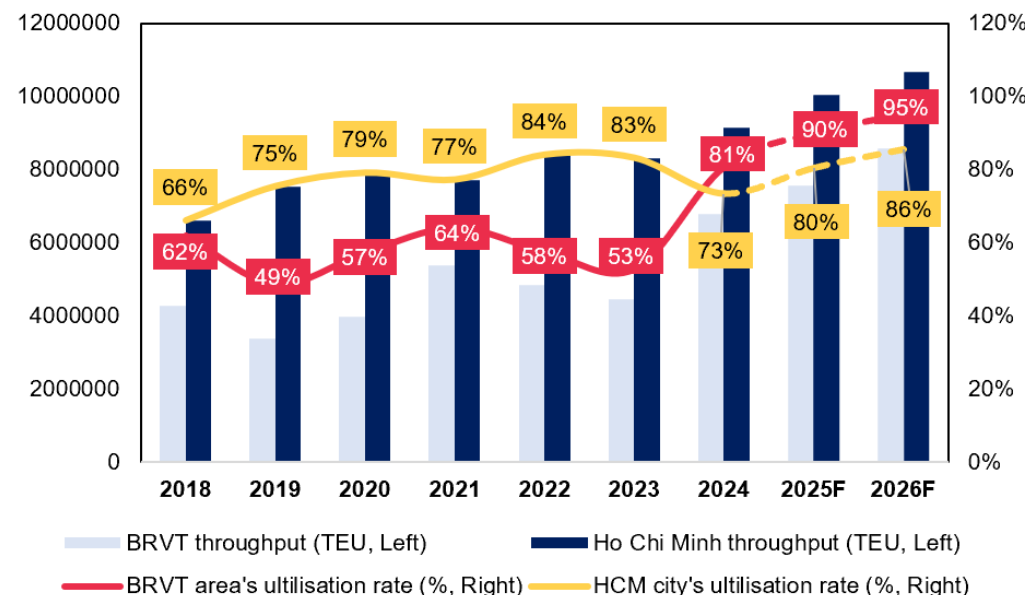
- Hai Phong's total capacity is expected to increase by approximately 2.8 million TEUs (+33% yoy) in 2025, driven by the operational launch of new berths at Lach Huyen. However, we project Hai Phong's container throughput to grow by only about 15.7% yoy (still above the 6.7% CAGR from 2020-2024). This growth will be highly uneven compare to: Cam River ports are expected to see only about 4.2% yoy growth, in stark contrast to Lach Huyen's projected 55.5% yoy surge in 2025 (assuming new berths operate at roughly 30% capacity).
- In Southern Vietnam, we anticipate Ba Ria – Vung Tau's throughput to maintain a robust CAGR of around 11.8% from 2025-2026, consistent with its 2018-2024 performance. This significantly outpaces the projected 4.8% yoy growth for Ho Chi Minh City's river ports as supporting transportation infrastructure projects become operational, reducing shipping costs for deep-water ports..

### Lach Huyen is expected to show better performance compared to the Cam River area



Sources: VPA , MBS Research

### Ba Ria–Vung Tau is expected to have better performance compared to the HCM City area.



Sources: VPA, MBS Research

## FY24 – 26F key financial metrics of stocks under our coverage

VNDbil	HAH			GMD		
	2024	2025F	2026F	2024	2025F	2026F
Revenue	4,005	4,659	5,040	4,832	5,192	5,661
%yoy	53%	16%	8%	25.7%	7.4%	9.0%
Gross profit	1,280	1,575	1,619	2,162	2,454	2,745
Gross margin (%)	32.0%	33.8%	32.1%	44.7%	47.3%	48.5%
EBITDA	1,545	1,824	2,039	1,751	1,830	2,204
EBITDA margin (%)	39%	39%	40%	36.2%	35.3%	38.9%
Net profit	693	868	844	1,441	1,566	1,728
%yoy	80%	25.3%	-2.7%	-35.6%	8.6%	10.3%
EPS (VND/share)	5,827	6,679	6,498	3,430	3,726	4,111
BVPS (VND/share)	30,576	35,046	39,395	32,731	33,274	35,892
Net cash/share (VND/share)	7,097	2,636	5,411	9,434	9,143	11,404
Debt/Equity	0.6	0.7	0.8	0.2	0.2	0.2
Dividend payout ratio (%)	23.5%	23.5%	23.5%	63.6%	63.6%	63.6%
ROAE (%)	21.2%	21.2%	18.4%	16.1%	14.8%	15.6%
ROAA (%)	11.5%	10.6%	8.9%	12.0%	10.5%	10.5%

- Sources: MBS Research



**Investment strategy:** We strongly favors companies operating deep-water ports, which will significantly fortify their competitive advantage by leveraging both enhanced capacity at existing facilities and their strategically advantageous geographical locations, with GMD as our top pick

Ticker	Rating	Target price (VND/share)	Investment thesis
GMD	ADD	75,100	<p>(1) In Southern Area, Gemalink's throughput is expected to remain robust, operating with utilization rate of 120% and 124% in 25-26, respectively. The addition of four new service routes is helping to reduce the port's reliance on US-bound cargo. Particularly, if Vietnam secures favorable tariff outcomes, we assess Gemalink's throughput could maintain 3.3% / 3% yoy growth in 25-26. New transportation projects, such as Province Road 991B and the Bien Hoa – Vung Tau Expressway, will alleviate pressure on National Highway 51. This will reduce transportation costs and encourage shippers to directly transport goods by road to the Cai Mep deep-water port for export, rather than using barges from Ho Chi Minh City, this shift is expected to attract additional cargo volumes to the deep-water ports in the Ba Ria – Vung Tau area, combine with an 10% increase in deep-water port handling fees in 4Q/2025, we expect GMD's core business revenue will increase 3.5% / 10.6% in 25-26,</p> <p>(2) In Hai Phong area, Nam Dinh Vu Port is less affected by US tariffs as it primarily handles feeder vessels on intra-Asia routes to high import/export demand markets like Japan, South Korea, and India. Therefore, we expect Nam Dinh Vu's throughput to grow by 3.4% / 27.4% yoy, reaching 74% and 94% efficiency in 25-26, respectively, this is particularly promising as Nam Dinh Vu Phase 3 is set for completion in 3Q2025, furthermore, GMD also plans to continue dredging the Ha Nam canal, expanding its width for two-way traffic, this will improve Nam Dinh Vu Port's accessibility and enhance its competitive advantage within the Cam River area, therefore boosting Nam Dinh Vu Port's revenue in 2026.</p> <p>(3) We project GMD's net profit will increase by 8.6% yoy in 2025 and 10.3% yoy in 2026. While GMD's current P/E of 18.7x aligns with its 5y average, its P/B stands at 1.9x, still representing a 13.6% discount to its 5y average, we believe this is an opportune time to accumulate GMD shares.</p>
PHP	N/A	N/A	<p>Lach Huyen deep-water port is a primary driver for PHP's long-term business growth. Berths 3 and 4 at Lach Huyen officially became operational in 2Q/2025, increasing PHP's total capacity to approximately 3.2 million TEUs (+52.4% yoy). This expansion significantly enhances PHP's ability to handle large container vessels. PHP's collaborations with major global shipping lines, such as SITC and Zhonggu Group, help its ports maintain stable throughput throughout 25-26. Furthermore, in early 2025, PHP decided to convert Chua Ve Port's function to handle bulk cargo, this strategic move aims to receive approximately 5-7 million tons of bulk cargo from Hoang Dieu Port, following its merger with Chua Ve. The remaining cargo will be reallocated to existing general and conventional ports along the Cam River. We expect this initiative is expected to improve the operational efficiency of other major ports in 2025-2026</p>
VSC	N/A	N/A	<p>Increased competitive pressure from new berths at Lach Huyen in Hai Phong area, we expect VSC's business performance to dimmer in 2025. However, we expect VSC's revenue to recover in 2026, driven by strategic partnership with Evergreen, ensuring stable throughput and full capacity utilization at Green and Green VIP ports. Additionally, Nam Hai Dinh Vu Port is projected to see rising throughput in 2025-2026 thanks to its collaboration with HAH, attracting new service routes to VSC's ports.</p>
SGP	N/A	N/A	<p>In 2025, SGP aims to maximize capacity at Tan Thuan and Hiep Phuoc while sustaining Cai Mep partnership. However, revenue is expected to decline as inner Ho Chi Minh City ports face disruptions from Thu Thiem 4 bridge construction which will start in 2025 (impacting Tan Thuan area), the Nha Rong – Khanh Hoi area's conversion to tourism, and internal restructuring to prepare for the Can Gio international transshipment port will affect the operation efficiency. Despite these challenges, we anticipate SGP's net profit will remain stable, primarily supported by its deep-water joint venture in Cai Mep-Thi Vai (SSIT, CMIT)</p>

**Investment strategy:** We strongly favors companies operating deep-water ports, which will significantly fortify their competitive advantage by leveraging both enhanced capacity at existing facilities and their strategically advantageous geographical locations, with GMD as our top pick

Ticker	Rating	Target price (VND/share)	Investment thesis
HAH	HOLD	77,700	<p>(1) HAH's February 2025 fleet expansion and proactive charter renewals are set to sustain charter revenue growth at +31.3% yoy in 2025, largely mitigating the impact of recent rate softening from 3Q2025. However, a projected downtrend in freight rates from 3Q2025 extending into 2026 indicates a subdued outlook for the chartering segment, leading to a slight -5% yoy decline in charter revenue in 2026. In response, HAH will strategically increase its self-operated capacity in 2025-2026. We anticipate HAH will acquire 1-2 vessels to pilot new route from Hai Phong to Lianyungang Port - China, alongside adding vessels to support existing services in 2025-2026. We forecast self-operated revenue to grow by 12.9% yoy in 2025 and 16.8% yoy in 2026. Overall, this strategic pivot is projected to drive HAH's total revenue growth by 16.3% yoy in 2025 and 8.2% yoy in 2026.</p> <p>(2) We project HAH's net profit will increase by 25.3% yoy in 2025 before a slight 2.7% yoy decline in 2026, primarily due to the subdued business outlook driven by anticipated freight rate normalization from 3Q2025. Given HAH's recent 32% price appreciation and a current P/E of 10.6x, representing a 27.7% premium to its 5y average, we recommend observing for more favorable indicators before accumulating HAH</p>

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Company name	Ticker Bloomberg	Market cap m USD	P/E (x)		P/BV (x)		ROE (%)		ROA (%)	
			2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F
Seaport companies										
Hai Phong Port JSC	PHP VN	479	9.88	9.44	1789.00	N/A	19.90	N/A	7.00	N/A
Vietnam Container Shipping JSC	VSC VN	228	15.67	N/A	1.25	N/A	9.73	N/A	5.49	N/A
Saigon Port Joint Stock Company	SGP VN	227	34.64	N/A	2.15	N/A	6.28	N/A	3.08	N/A
Adani Ports And Special Econ	ADSEZ IN	36,422	28.21	25.42	5.01	4.25	19.23	18.27	8.73	10.27
Xiamen Interna-A	600897 CH	853	13.08	11.96	1.27	1.18	10.08	10.26	7.82	7.76
Namyong Terminal	NYT TB	107	6.90	6.90	0.93	N/A	14.90	15.40	N/A	N/A
Gemadept Corp	GMD VN	963	16.96	16.84	1.88	1.76	11.63	10.92	9.19	8.26
Average			17.91	14.11	257.36	2.40	13.11	13.71	6.89	8.76
Median			15.67	11.96	1.88	1.76	11.63	13.16	7.41	8.26
Maritime transportation companies										
Ap Moller-Maersk A/S-B	MAERSKB	30,117	19.64	N/A	0.53	0.53	2.84	-0.57	1.71	-1.22
Cosco Shipping Holdings Co-A	601919 CH	31,894	7.22	13.49	0.81	0.79	11.74	7.20	5.07	3.54
Evergreen Marine Corp Ltd	2603 TT	15,175	6.35	10.37	0.72	0.72	12.22	7.85	7.53	5.45
Hmm Co Ltd	011200 KS	17,807	10.66	20.20	0.82	0.81	7.65	4.03	6.20	3.23
Hai An Transportation and Stevedoring JSC	HAH VN	333	10.87	12.25	2.05	1.84	23.25	17.78	14.20	11.42
Average			10.95	14.08	0.99	0.94	11.54	7.26	6.94	4.48
Median			10.66	12.87	0.81	0.79	11.74	7.20	6.20	3.54

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### Stock rating

Our investment recommendations are based on the expected profitability of the stock, calculated as the sum of (i) the percentage difference between target price and market price at the time of publication, and (ii) expected dividend yield. Unless otherwise stated in the report, investment recommendations have an investment horizon of 12 months.

ADD	The stock can generate a profitability of 15% or more
HOLD	The stock can generate a profitability of between -15% and 15%
REDUCE	The stock can generate a loss of 15% or more

### Sector rating

POSITIVE	Industry stocks have Add recommendations on a weighted market capitalization basis
HOLD	Industry stocks have Hold recommendations on a weighted market capitalization basis
NEGATIVE	Industry stocks have Reduce recommendations on a weighted market capitalization basis

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