

## Gemadep Corporation (HSX: GMD)

### RISING ABOVE TARIFF HEADWINDS

- 2Q25 Net profit (NP) reached 423 VNDbn, increase 27.9% yoy, driven by robust port throughput growth and improved cost management efficiency. 6M25 NP is in line with our forecasts, completing 49% of FY2025 projection.
- We expect GMD's NP to maintain its growth momentum of 16.5%/14.4% yoy in 2025/26, driven by Nam Dinh Vu Phase 3 and an increase in ports's service prices.
- We recommend **ADD** for GMD with a target price of 72,200VND/share.

#### GMD maintains positive growth momentum in 2Q2025

In 2Q/2025, GMD's net revenue reached 1,497 VNDbn (+30% yoy), driven by positive volume growth from the expanding export market trend in intra-Asia. The SG&A-to-revenue ratio decreased by 4.9 percentage points (ppt) yoy, reflecting better operational efficiency and management's cost control efforts amid an uncertain business environment. This helped GMD's 2Q/2025 net profit maintain a strong 27.9% yoy increase.

#### The business outlook for 2025-26 remains strong after the adjustment

We have revised down our port operation revenue forecast by 6.7%/4.3% compared to previous forecast due to: (1) a more pessimistic economic outlook for key export markets in 2H2025, impacted by U.S. tariffs, and (2) the front-loading effect not lasting as long as expected. Despite this adjustment, port operation revenue is projected to maintain 5.9%/18.7% yoy growth, driven by: (1) an increasing share of intra-Asia cargo and the expansion of new export service routes. (2) Nam Dinh Vu Phase 3 becoming operational in 4Q/2025, and (3) an increase in service prices at major ports in 2H2025.

Despite the downward revenue revision, we increase financial income by 58%/5.2% compare to previous report, based on the company's cash and cash equivalents doubling yoy in 1H2025. Consequently, we revise net profit upward by 3.3%/8.9%, after adjustments, we expect GMD's net profit still achieve a healthy growth of 16.5%/14.4% yoy.

#### Recommend ADD with a target price of 72,200VND/share

We have increased our target price by 7.1% from previous report, based on an upward adjustment of EPS by 1.8%/7.3%. We believe GMD's NP will maintain strong growth momentum, due to: (1) Port throughput is expected to maintain solid growth, driven by an increasing volume from intra-Asia area; (2) Nam Dinh Vu Phase 3 will become operational from 4Q/2025; and (3) an increase in port service fees from 3Q/2025. Given its favorable tariff status and expanding service routes to new markets, combined with its position as a leading port operator in Vietnam, we believe GMD will continue to maintain its competitive advantage, therefore, we consider this an opportune time to accumulate GMD.

Financial indicators	Dec-23	Dec-24	Dec-25	Dec-26
Net revenue	3,846	4,832	5,194	6,033
Net profit after tax & minority	2,238	1,441	1,679	1,922
Net revenue growth	-1%	26%	7%	16%
NPATMI growth	125%	-36%	16%	14%
Gross profit margin	46%	45%	44%	45%
EBITDA margin	39%	36%	37%	40%
ROAE	29%	16%	16%	17%
ROAA	19%	12%	12%	12%
EPS (VND/share)	7,207	3,430	3,996	4,573
BVPS (VND/share)	23,162	32,731	33,447	36,361

Sources: GMD, MBS Research

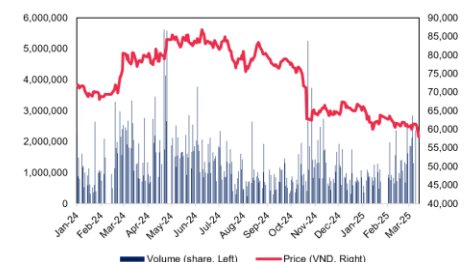
**ADD**

**Target price** **72,200 VND**  
*Upside* **23.5%**

#### Changes in the report

EPS adjusted upward by 3.3%/8.9% compared to previous report, after adjustment, EPS increase 16.5%/14.4% yoy

#### Information



Sources: FiinproX, MBS Research

Market price (VND)	58,400
52w High (VND)	68,700
52w Low (VND)	40,800
Market Cap (VNDbn)	23,740
P/E (TTM)	14.7
P/B	1.7
Dividend yield (%)	4
Foreign owned (%)	39.3

Sources: <https://s24.mbs.com.vn/>

#### Ownership structure (%)

SSJ Consulting (Vietnam) LLC	7.2
ETF DCVFMVN DIAMOND	5.4
Le Thuy Huong	4.9
ReCollection Pte.Ltd	3.3

Sources: <https://s24.mbs.com.vn/>

#### Analyst



**Vo Duc Anh**

Anh.voduc@mbs.com.vn

## Gemadep Corporation (HSX: GMD)

### Investment thesis & Recommendation

#### Investment thesis

We recommend ADD with GMD's target price of 72,200 VND/share (adjusted upward 7.1% compared to the previous report) due to:

- Port throughput is expected to maintain its strong growth momentum in 2025-2026, driven by: (1) increased intra-Asia volumes and the expansion of new service routes; and (2) improved performance at Nam Dinh Vu Port, thanks to the acquisition of the adjacent Hai Minh ICD and continued dredging of the Ha Nam channel.
- We expect Nam Dinh Vu Phase 3, which is projected to become operational in 4Q/2025, to be a key growth driver for GMD during 2025-2026. This, combined with a 10% increase in port service fees from August 2025, is expected to strongly boost GMD's net profit.
- We believe Gemalink's net profit is poised for continued strong growth, supported by: (1) a smaller exposure to the U.S. market compared to regional peers, (2) the strategic expansion of four new service routes to diversify away from U.S. trade, and (3) a successful 10% hike in service fees starting in 4Q/25, which was made possible by low regional competition and robust underlying demand.
- GMD's mid-to-long-term competitive advantage is expected to strengthen further, due to: (2) its competitive tariff structure and (3) the completion of key supporting transportation projects scheduled for 2025-2026.

#### Valuation & Recommendation

We raise target price for GMD to 72,200 VND/share (+7.4% from previous report). This revision is based on an upward adjustment to our 2025/2026 EPS forecasts by 1.8% and 7.3%, respectively, with the revised EPS still maintaining a strong growth of 16.5% and 14.4% yoy. Given GMD's favorable tariff status compared to regional competitors and its expansion of service routes to new markets, along with its position as a leading port operator in Vietnam, we find the current valuation attractive. GMD is trading at a P/E of 16.9x, which is 10.6% below its 5-year average P/E of 18.9x. Therefore, we believe this is an opportune time to accumulate GMD shares.

Figure 1: Valuation summary

Valuation	
Core business equity value (FCFF)	28,667
Rubber project equity value (BV)	1,358
Real Estate equity value (BV)	290
<b>Equity value (VNDbn)</b>	<b>30,315</b>
Outstanding shares (million shares)	420
<b>Target price</b>	<b>72,146</b>
<b>Rounded target price</b>	<b>72,200</b>
<b>Upside</b>	<b>26.6%</b>

Sources: MBS Research

Figure 2: Cost of Equity

Cost of Equity	
Risk free rate	2.7%
Beta	1.2
Risk premium	7.8
Cost of Equity	12%

Sources: MBS Research

Figure 3: WACC and terminal growth

WACC and terminal growth	
Cost of debt	7%
Tax rate	20%
WACC	11%
Terminal growth rate	1.5%

Sources: MBS Research

Figure 4: Core business FCFF forecast

FCFF	2025	2026	2027	2028	///	2035
(+) Earning after tax	2,199	2,516	2,815	3,266		3,790
(+) Non-cash expense	475	646	735	830		1,746
(+) Interest expense after tax	109	131	150	169		204
(-) Capex	2,475	1,246	1,335	1,430		3,446
(+) Change in working capital	12	19	266	(173)		226
Discounted FCFF	319	1,867	2,149	1,964		946

Sources: MBS Research

Figure 5: Core business FCFF valuation

FCFF Valuation		
(+) Present value of 2025F-2035F	VNDbn	17,684
(+) Present value of terminal value	VNDbn	10,470
(+) Cash and cash equivalent	VNDbn	3,926
(-) Debt	VNDbn	2,883
(-) Minority interest	VNDbn	(520)
Core business equity value	VNDbn	28,667

Sources: MBS Research

## Investment Risks

- Stronger-than-expected inflation which will dampen the global economic outlook, leading to a continued slowdown in global trade and negatively impacting the company's business performance.
- Slower-than-expected progress on key projects like Nam Dinh Vu Phase 3 and Gemalink 2A will negatively impact GMD's cargo throughput growth.

Figure 6: Peers comparison

Company	Ticker	Market cap	P/E (x)		P/B (x)		ROE (%)		ROA (%)	
	Bloomberg	USDmil	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F
Seaport										
Hai Phong Port JSC	PHP VN	479	9.9	9.4	1789.0	N/A	19.9	N/A	7.0	N/A
Vietnam Container Shipping JSC	VSC VN	228	15.7	N/A	1.3	N/A	9.7	N/A	5.5	N/A
Saigon Port JSC	SGP VN	227	34.6	N/A	2.1	N/A	6.2	N/A	3.1	N/A
Adani Ports and Special Econ	ADSEZ IN	36,422	28.2	25.4	5.0	4.25	19.2	18.3	8.7	10.3
Xiamen Interna-A	600897 CH	853	13.1	11.9	1.3	1.18	10.1	10.3	7.8	7.8
Namyong Terminal	NYT TB	107	6.9	6.9	0.9	N/A	14.9	15.4	N/A	N/A
Gemadept Corporation	GMD VN	963	16.9	16.8	1.9	1.76	11.6	10.9	9.2	8.3
Average			17.9	14.1	257.4	2.4	13.1	13.7	6.9	8.8
Median			15.7	11.9	1.9	1.8	11.6	13.2	7.4	8.3

Sources: Bloomberg, MBS Research

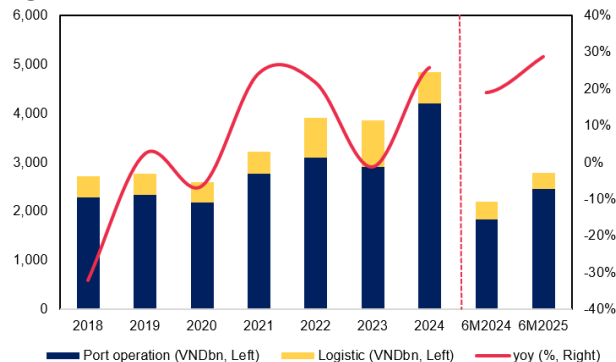
## 2Q2025 and 6M2025 business performance

Figure 7: GMD's 2Q25 and 6M2025 financial results (Unit: VNDbn)

Financial indicators	2Q2025	qoq (%)	yoy (%)	6M2025	% yoy	% FY projection	Comments
<b>Revenue</b>	<b>1,497</b>	<b>17.2%</b>	<b>30.1%</b>	<b>2,774</b>	<b>28.6%</b>	<b>54.4%</b>	
- Port operation	1,309	15.0%	32.8%	2,447	33.8%	56.2%	Port operation revenue maintained a strong growth trajectory, primarily driven by the solid increase in throughput at Nam Dinh Vu Port, which rose by 27.2% yoy and 9% qoq. This growth was fueled by rising demand from intra-Asia markets, thanks to the company's efforts to diversify its markets and reduce reliance on the U.S.
- Logistic, leasing, others	188	35.8%	-3.8%	327	-8.8%	43.8%	
<b>Gross profit</b>	<b>646</b>	<b>15.0%</b>	<b>26.9%</b>	<b>1,207</b>	<b>22.8%</b>	<b>51.2%</b>	
- Port operation	572	14.1%	30.0%	1,074	33.5%	51.5%	
- Logistic, leasing, others	74	22.5%	-3.8%	134	-25.3%	49.1%	
<b>Gross profit margin</b>	<b>43.1%</b>	<b>-0.8ppt</b>	<b>-2.8ppt</b>	<b>43.5%</b>	<b>-1.4ppt</b>		
- Port operation	43.7%	-0.3ppt	-0.9ppt	43.9%	-0.1ppt		
- Logistic, leasing, others	39.1%	-4.2ppt	-13.0ppt	40.9%	-9.0ppt		
<b>SG&amp;A expense</b>	<b>205</b>	<b>-3.0%</b>	<b>-4.2%</b>	<b>417</b>	<b>14.6%</b>		The SG&A-to-revenue ratio decreased by 4.9 ppt yoy and 2.9ppt qoq. This reflects improved operational efficiency and management's cost control efforts amid a highly uncertain business environment
<b>Financial revenue</b>	<b>62</b>	<b>113.2%</b>	<b>108.0%</b>	<b>91</b>	<b>-207.8%</b>	<b>59.8%</b>	Financial income doubled yoy, primarily driven by interest from deposits (accounting for 92% of total 2Q financial income). This increase was a result of both a higher average interest rate and yoy doubling of cash & short-term investments.
<b>Financial expense</b>	<b>54</b>	<b>87.6%</b>	<b>17.0%</b>	<b>82</b>	<b>-3.1%</b>	<b>53.5%</b>	
- Interest expense	22	-18.1%	-38.3%	50	-31.0%	36.6%	We assess that the company's efforts to green its logistics chain during the first half of 2025 have enabled it to secure green financing packages from partner banks. This strategic move provides access to more favorable loan interest rates.
<b>Income from JVs &amp; associates</b>	<b>241</b>	<b>6.2%</b>	<b>31.6%</b>	<b>468</b>	<b>66.5%</b>	<b>48.0%</b>	The primary driver of profit from joint ventures and associates continues to be Gemalink's contribution, which rose 104% yoy. However, Gemalink's throughput in 2Q only saw a slight increase of 1.1% qoq, as the impact of front-loading subsided and did not last throughout the quarter as expected.
<b>Profit before tax</b>	<b>677</b>	<b>16.2%</b>	<b>30.3%</b>	<b>1,261</b>	<b>2.7%</b>	<b>52.5%</b>	
<b>Net profit</b>	<b>423</b>	<b>4.9%</b>	<b>27.9%</b>	<b>826</b>	<b>-7.2%</b>	<b>49.2%</b>	GMD's 2Q/2025 net profit sustained strong yoy growth, a result of both solid throughput expansion across its port network and management's success in controlling costs. The company's net profit for the first six months of the year met our expectations, achieving 49% of our FY forecast..

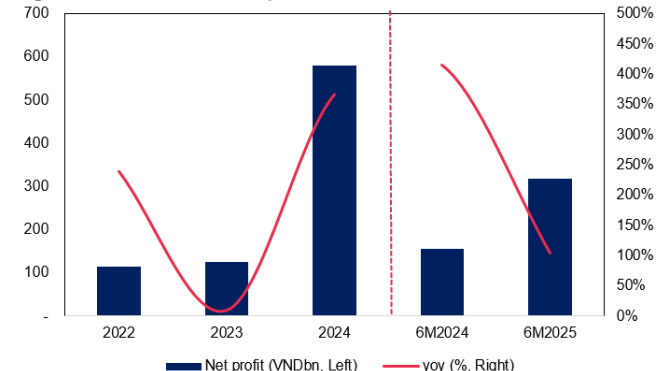
Sources: GMD, MBS Research

Figure 8: GMD's revenue struture



Sources: MBS Research

Figure 9: Gemalink's net profit



Sources: MBS Research

## Adjustment of business performance for 2025-2026 after reciprocal tariff result

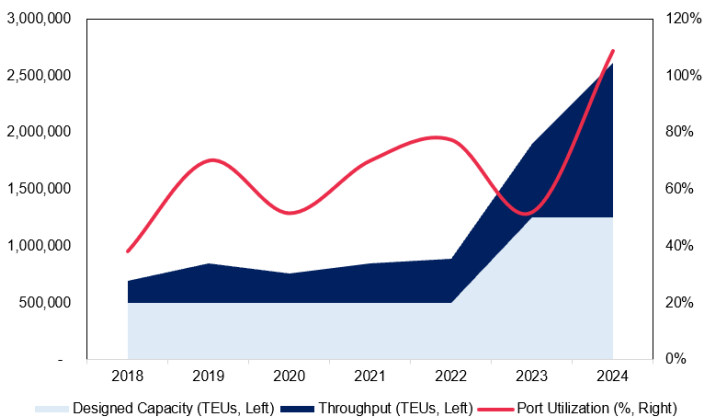
Indicator	2024	2025F	vs previous forecast	%yoy	2026	Vs previous forecast	% yoy	Comments
<b>Revenue</b>	<b>4,832</b>	<b>5,194</b>	<b>-7.5%</b>	<b>7.5%</b>	<b>6,033</b>	<b>-5.3%</b>	<b>16.2%</b>	
Include								
- Port operation	4,201	4,448	-6.7%	5.9%	5,280	-4.3%	18.7%	We have revised down our Nam Dinh Vu Port throughput by 9.3% and 12.4% compared to previous projection. This reflects a more pessimistic global trade outlook in 2H2025. However, revenue is expected to maintain its growth momentum, thanks to a price increase of approximately 10% in 3Q/2025 and improved operational efficiency at Nam Dinh Vu Port throughout 2025-2026. We adjust logistics revenue forecast downwards to account for the segment's weaker-than-anticipated performance during 1H2025.
- Logistic, leasing, others	631	746	-11.8%	18.2%	753	-11.8%	1.0%	
<b>Gross profit</b>	<b>2,162</b>	<b>2,305</b>	<b>-17.1%</b>	<b>6.6%</b>	<b>2,712</b>	<b>-11.0%</b>	<b>17.7%</b>	
- Port operation	1,965	2,036	-15.3%	3.7%	2,469	-8.2%	21.2%	
- Logistic, leasing, others	196	268	-29.0%	36.7%	243	-31.7%	-9.3%	
<b>Gross profit margin</b>	<b>44.7%</b>	<b>44.4%</b>	<b>-5.2ppt</b>	<b>0.4ppt</b>	<b>45.0%</b>	<b>-2.8ppt</b>	<b>0.6ppt</b>	
- Port operation	46.8%	45.8%	-4.6ppt	1.0ppt	46.8%	-2.0ppt	1.0ppt	
- Logistic, leasing, others	31.1%	36.0%	-8.7ppt	4.9ppt	32.3%	-9.3ppt	-3.7ppt	
<b>SG&amp;A expense</b>	<b>816</b>	<b>837</b>	<b>-25.9%</b>	<b>2.5%</b>	<b>919</b>	<b>-28.4%</b>	<b>9.8%</b>	
% SG&A expense	16.9%	16.1%	-4.5ppt	0.8ppt	15.2%	-5.4ppt	-0.9ppt	We have revised down our SG&A ratio to reflect GMD's better-than-expected cost control efforts 1H2025. We have adjusted our financial income forecast upward, due to a yoy increase in cash & short-term investments and a higher average interest rate than previously projected.
<b>Financial revenue</b>	<b>418</b>	<b>182</b>	<b>58.0%</b>	<b>54.5%</b>	<b>138</b>	<b>5.2%</b>	<b>-24.2%</b>	
<b>Financial expense</b>	<b>150</b>	<b>155</b>	<b>-12.6%</b>	<b>3.0%</b>	<b>185</b>	<b>-7.4%</b>	<b>19.7%</b>	
Include: Interest expense	139	136	-16.8%	-2.1%	164	-11.8%	20.2%	We have revised down our interest expense forecast, based on our expectation that GMD's efforts to 'green' its system will help the company secure green loans from partner banks, leading to lower interest costs than previously projected.
Income from JVs & associates	816	960	10.9%	17.7%	1,065	9.1%	10.9%	
- Gemalink	537	641	8.3%	19.4%	727	14.0%	13.4%	We revised down Gemalink throughput by 2.4%/10.9%, reflecting the front-loading trend not lasting as long as expected and 6M2025 volumes falling short of our anticipation. However, we have adjusted the average service price up by 4%/6% compared to our previous projection, as we expect GMD to raise service fees from 4Q/2025. This should help Gemalink's net profit maintain its growth momentum in 2025-2026.
- Sai Gon Cargo Service JSC (SCS)	251	274	1.3%	9.0%	288	1.2%	5.4%	
- Others	28	45	0.0%	64.9%	49	-7.7%	7.9%	
<b>Profit before tax</b>	<b>2,080</b>	<b>2,402</b>	<b>3.3%</b>	<b>16.5%</b>	<b>2,749</b>	<b>9.0%</b>	<b>14.4%</b>	
<b>Profit after tax</b>	<b>1,905</b>	<b>2,199</b>	<b>3.3%</b>	<b>16.5%</b>	<b>2,516</b>	<b>9.0%</b>	<b>14.4%</b>	
Minority interest	446	520	3.5%	16.6%	595	9.1%	14.4%	
<b>Net profit</b>	<b>1,459</b>	<b>1,679</b>	<b>3.3%</b>	<b>16.5%</b>	<b>1,922</b>	<b>8.9%</b>	<b>14.4%</b>	Despite a downward adjustment to throughput at key ports, we have raised our net profit by 3.3%/8.9% from previous projection, due to a successful price increase at Gemalink Port and GMD's effective cost control efforts, which should help net profit maintain positive growth throughout 2025-2026
<b>EPS (VND/share)</b>	<b>3,430</b>	<b>3,996</b>	<b>3.3%</b>	<b>16.5%</b>	<b>4,573</b>	<b>8.9%</b>	<b>14.4%</b>	

Sources: MBS Research

## Revenue from the Hai Phong area maintained its growth momentum due to its enhanced competitive advantage.

Our forecast for Nam Dinh Vu Port throughput has been reduced by 9.3% and 12.4% from our prior projection, after adjustment, the throughputs are 1.412 million TEUs and 1.910 million TEUs, increase 3.9% and 35.3% yoy, corresponding to a utilization rate of 74.3% and 100.5% for 2025-2026. As a result, we have also lowered our forecast for port operation revenue by 6.7% and 4.3% from our previous estimates, after adjustments, port revenue is still expected to grow at a healthy pace of 5.9% and 18.7% yoy, reaching approximately 4,357 VNDbn and 5,027VNDbn, respectively, in 2025-2026.

Figure 9: Nam Dinh Vu's utilisation rate in 2018-2026F



Sources: MBS Research

Figure 10: The location of the channel section to be upgraded after the Ha Nam channel is further dredged.



Sources: Bao giao thong

For the Hai Phong area, we expect Nam Dinh Vu Port's revenue to maintain strong growth, despite tariff impacts, due to: (1) U.S. import/export cargo accounts for just over 10% of its volume (compared to a regional average of around 12%); (2) intra-Asia throughput will increase, offsetting U.S. cargo volumes as these countries reduce their export reliance on the U.S. market; (3) an increased ownership stake in the nearby Hai Minh ICD will support Nam Dinh Vu Port (potentially adding an estimated 100,000 TEUs); and (4) an average 10% increase in service fees from August 2025. Additionally, GMD will continue dredging the Ha Nam channel in 4Q/2025, increasing its depth to 9.5m from the current 8.5m, this will enable two-way traffic, enhancing Nam Dinh Vu Port's vessel-handling capacity. We expected this to improve the port's competitive advantage in 2026, especially as Nam Dinh Vu Phase 3 becomes operational from 4Q/2025.

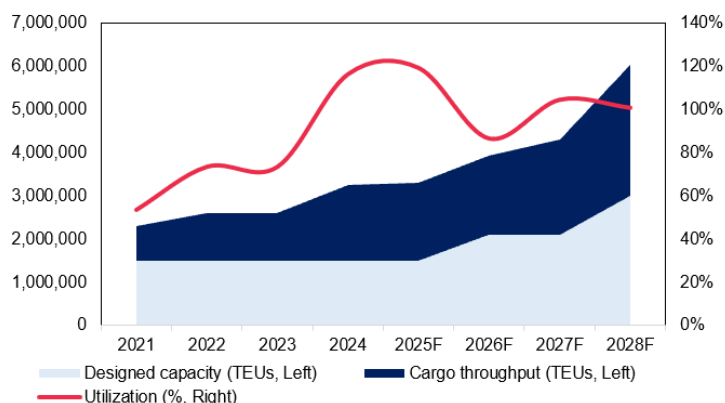
## Gemalink Port is expected to confront headwinds in the short term before returning to a positive growth trajectory

We revise up our Gemalink net profit by 8.3% and 6.2% compared to our previous projection, after adjustment, net profit is 641.3 VNDbn and 727.2 VNDbn, respectively, representing a 10.5% and 13.4% yoy increase.

Regarding Gemalink Port's throughput, we revise down by 2.4%/10.9% compared to our previous projection, after adjustment, the throughput is approximately 1,789,000 TEUs/1,815,000 TEUs, representing a 2.5%/1.5% yoy increase, respectively. This is primarily because volumes in 1H2025 did not grow as strongly as expected, as the impact of front-loading did not last as long as anticipated. Although Gemalink faces short-term challenges from the impact of reciprocal U.S. tariffs, we believe the port will maintain its competitive advantage,

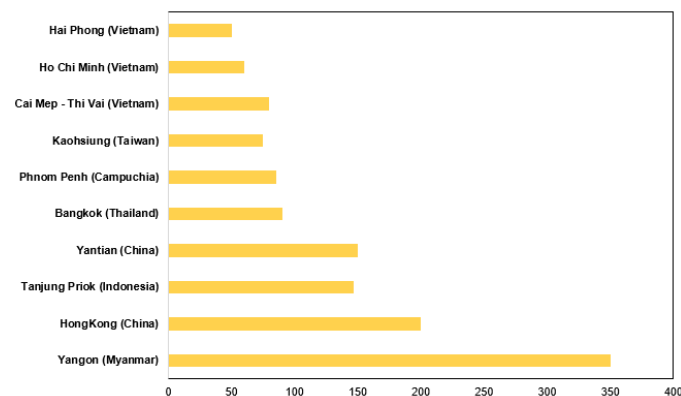
due to: (1) Its proportion of U.S.-bound cargo is only about 30%, which is lower than the regional average of around 55%; and (2) GMD's proactive efforts to reduce its reliance on the U.S. market by expanding four new service routes to other markets such as Europe, Canada, and Australia. Concerning the average service price, there is significant room for increases, as handling costs remain only 50-60% of those at major regional ports. We have therefore adjusted our Gemalink service price forecast upward by 4% and 6% yoy, based on our expectation that GMD will raise its cargo handling fees at this port by 10% in 4Q/2025.

Figure 11: Gemalink's utilisation rate from 2018-2026F



Sources: MBS Research

Figure 12: Cargo handling fees in Vietnam are notably lower than those at major ports in the region



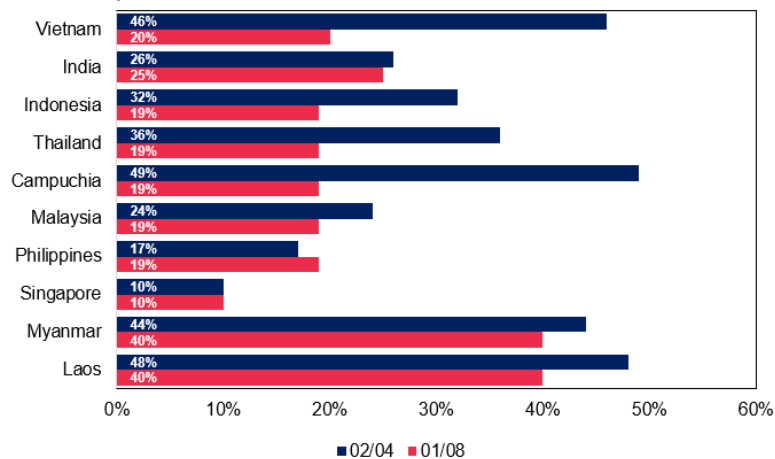
Sources: VPA, MBS Research

Following a review of the financial performance of GMD's ports and its contribution from Gemalink, we are increasing our net profit forecast for GMD by 3.3% and 8.9% compared to our prior estimates, after adjustment, net profit projections are 1,679.2 VNDbn and 1,921.6 VNDbn, reflecting a healthy annual growth rate of 16.5% and 14.4% over the 2025-2026 period.

**The company's mid-to-long-term competitive advantage is sustained by its competitive reciprocal tariffs and the development of supporting infrastructure projects.**

Following President Trump's recent announcement, Vietnam has successfully negotiated a lower reciprocal tariff of 20%, a significant decrease from the 46% rate implemented in April 2025. We assess that this new tariff level will enable Vietnam's primary export goods to sustain their competitive edge in the American market. This is particularly advantageous given that Vietnam's direct competitors, such as India, are subject to higher tariffs, while other regional economies face a comparable rate.

**Figure 13: Reciprocal tariff rates of countries in the region and Vietnam's direct competitors.**



Sources: The WHITE HOUSE, MBS Research

To fully leverage Vietnam's port advantages, developing supporting infrastructure is a key factor. Expressway routes connecting deep-sea ports with key industrial zones and economic hubs will help resolve transportation bottlenecks, reduce costs for customers, and improve business efficiency for deep-sea ports. We believe deep-sea ports like Gemalink and strategically located gateway ports such as Nam Dinh Vu will directly benefit. Furthermore, GMD, along with SSA Marine, has submitted a letter of interest for the Cai Mep Ha General Port and Logistics Center project. This presents an opportunity for the company to enhance its competitive capacity and complete its logistics chain if GMD becomes the project's investor.

**Figure 14: Supporting infrastructure projects enhance the competitive position of GMD's ports**

Area	Project	Progress	Benefits
Hai Phong	Lao Cai – Hanoi – Hai Phong Railway	Expected to commence construction in December 2025	(1) Connect Lach Huyen Port in Hai Phong with Hanoi and Lao Cai–China border gate (2) Reduce pressure on road transport and lower transportation costs
	The connecting route of National Highway 5 and National Highway 10.	Investment preparation phase in 2025, project implementation phase from 2026 to 2029	Help connect areas within and outside the city, reduce traffic pressure on the port area
Southern area	Cai Mep Ha Logistic Center	Investment proposals have been received from major enterprises.	Aiming to become a gateway port and transshipment hub of regional and global stature, while also serving as a free trade zone, supporting the operations of the Cai Mep -Thi Vai port area.
	Provincial Road 991B	6/2025	(1) Connect the deep-water port area of Ba Ria - Vung Tau with the economic center in Ho Chi Minh city (2) Reduce pressure on existing transportation routes (3) Attract cargo flow gradually shifting from river areas to deep-water ports
	Bien Hoa - Vung Tau Expressway	2/9/2025	
	Bien Hoa - Thi Vai - Vung Tau railway	Expected to be completed in 2025 and put into operation in 2026.	

Sources: MBS Research

## Financial Statements

Income Statement	2024	2025F	2026F
<b>Net Revenue</b>	<b>4,832</b>	<b>5,194</b>	<b>6,033</b>
Cost of goods sold	(2,291)	3,019	3,471
Gross profit	2,162	2,305	2,712
SG&A	(816)	(837)	(919)
<b>Profit from operation</b>	<b>1,345</b>	<b>1,468</b>	<b>1,793</b>
Net EBITDA	1,751	1,943	2,439
<b>Pre-tax &amp; interest income</b>	<b>1,345</b>	<b>1,468</b>	<b>1,793</b>
Interest income	400	182	138
Financial expense	(150)	(155)	(185)
Net other income/(expense)	(349)	(53)	(62)
Income from JVs & associates	816	960	1,065
<b>Pre-tax profit</b>	<b>2,061</b>	<b>2,402</b>	<b>2,749</b>
Corporate income tax	(174)	203	233
<b>Net income</b>	<b>1,887</b>	<b>2,199</b>	<b>2,516</b>
Minority interest	(446)	(520)	(595)
<b>Net profit</b>	<b>1,441</b>	<b>1,679</b>	<b>1,922</b>
Dividend payment	(917)	(1,069)	(1,223)
Retained Earnings	<b>524</b>	<b>611</b>	<b>699</b>
Balance sheet	2024	2025F	2026F
Cash & cash equivalent	3,964	3,926	5,168
Short - term investment	1,021	1,098	1,275
Accounts Receivable	599	733	814
Inventories	83	74	107
Total Current Assets	6,676	6,538	8,186
Fixed assets	4,033	6,033	6,633
Construction in progress	1,717	1,845	2,143
Investment in Real estate	-	-	-
Investment in subsidiaries	1,674	1,255	1,458
Investment in JVs & associates	3,841	4,124	4,732
Other long-term investment	45	48	56
Total Long-term assets	11,310	13,523	15,022
<b>Total Assets</b>	<b>17,986</b>	<b>20,060</b>	<b>23,208</b>
Short-term Debt	422	593	689
Account Payables	462	598	730
Other short-term liabilities	382	623	724
Total Short-term Liabilities	2,107	2,875	3,375
Long-term Debt	1,745	2,300	2,800
Other long-term liabilities	116	260	302
Total Long-term liabilities	2,125	3,131	4,554
<b>Total Liabilities</b>	<b>4,232</b>	<b>6,006</b>	<b>7,929</b>
Charter capital	13,753	14,054	15,279
Additional paid-in-capital	3,920	4,038	4,038
Treasury stock	-	-	-
Retained Earning	3,621	3,568	4,198
Reserved funds	-	-	-
Shareholder's equity	13,753	14,054	15,279
Minority interest	-	-	-
<b>Total shareholder's equity and liabilities</b>	<b>17,986</b>	<b>20,060</b>	<b>23,208</b>

Cash Flow Statement	2024	2025F	2026F
Profit before tax	2,080	2,402	2,749
Depreciation & Amortization	406	475	646
Interest expense	139	136	164
Other adjustment	-	-	-
Changes in working capital	136	12	19
<b>Cash flow from operation</b>	<b>1,647</b>	<b>3,015</b>	<b>3,936</b>
Investment in PPE	(1,598)	(2,475)	(1,246)
Proceeds from sales of PPR	958	472	476
<b>Cash flow from investing</b>	<b>(1,495)</b>	<b>(2,141)</b>	<b>(1,334)</b>
Share issuance & contribution from shareholders	3,059	62	-
Net cash from borrowings	744	726	596
Other cash flow from financing activities	(524)	(631)	(733)
Dividend, profit padi to shareholders	(917)	(1,069)	(1,223)
<b>Cash flow from financing</b>	<b>2,337</b>	<b>(912)</b>	<b>(1,360)</b>
<b>Beginning cash &amp; equivalent</b>	<b>1,472</b>	<b>3,964</b>	<b>3,926</b>
<b>Net cash flow over the year</b>	<b>2,489</b>	<b>(39)</b>	<b>1,242</b>
<b>Ending cash &amp; equivalent</b>	<b>3,964</b>	<b>3,926</b>	<b>5,168</b>

Financial ratios	2024	2025F	2026F
Net revenue growth	26%	7%	16%
EBITDA growth	16%	11%	26%
Operating profit growth	21%	9%	22%
Pre-tax profit growth	-34%	17%	14%
Net profit growth	-36%	16%	14%
EPS growth	-36%	16%	14%
Gross profit margin	45%	44%	45%
EBITDA margin	36%	37%	40%
Net profit margin	30%	32%	32%
ROAE	16.1%	15.8%	17.2%
ROAA	12.0%	11.6%	11.6%
Assets Turnover	0.31	0.27	0.28
Dividend/Net profit	63.6%	63.6%	63.6%
Debt to Equity	0.2	0.2	0.2
Net Debt to Equity	(0.1)	0.0	0.0
Net Debt to Total Assets	(0.1)	0.0	0.0
Interest Coverage	12.6	14.2	14.9
Days of sales outstanding	45	47	47
Days of Inventory	10	10	10
Days of payables outstanding	37	37	40
Current ratio	3.2	2.3	2.4
Quick ratio	1.8	1.3	1.5
Cash ratio	2.5	1.9	2.0

Valuation			
EPS (VND/share)	3,430	3,996	4,573
BVPS (VND/share)	32,731	33,447	36,361
P/E (x)	16.6	14.3	12.5
P/B (x)	1.7	1.7	1.6

Sources: GMD, MBS Research

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## MBS RECOMMENDATION FRAMEWORK

### Stock Ratings

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.

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

### Sector Ratings

POSITIVE - Stocks in the segment have, on a market cap-weighted basis, a positive absolute recommendation  
 NEUTRAL - Stocks in the segment have, on a market cap-weighted basis, a neutral absolute recommendation  
 NEGATIVE - Stocks in the segment have, on a market cap-weighted basis, a negative absolute recommendation

## ABOUT MBS

Founded in May 2000 by the Military Commercial Joint Stock Bank (MB), MB Securities Joint Stock Company (MBS) is one of the first six securities companies in Vietnam. After years of development, MBS has grown into one of the premier brokerage houses in the country. In two consecutive years between 2009 and 2010, MBS leads the brokerage house in terms of market share on both Hanoi Stock Exchange (HNX) and HCMC Stock Exchange (HOSE) and continuously ranked among the Top 5 of market share at both stock exchanges.

Address:

MB Building, 21 Cat Linh, Dong Da, Ha Noi

Tel: + 8424 7304 5688 - Fax: +8424 3726 2601

Website: [www.mbs.com.vn](http://www.mbs.com.vn)

## MBS RESEARCH DEPARTMENT

### Director, Head of Research

*Hien Tran Thi Khanh*

### Deputy Head of Equity Research

*Dzung Nguyen Tien*

### Macro & Market Strategy

*Hung Ngo Quoc*  
*Cuong Nghiem Phu*  
*Anh Dinh Ha*  
*Anh Vo Duc*

### Banking – Financial Services

*Luyen Dinh Cong*  
*Huong Pham Thi Thanh*

### Real Estate

*Duc Nguyen Minh*  
*Thanh Le Hai*  
*Huyen Pham Thi Thanh*

### Industrial - Energy

*Tung Nguyen Ha Duc*  
*Anh Mai Duy*

### Consumer - Retail

*Ly Nguyen Quynh*