

Gemadep Corporation (HSX: GMD)

AWAITING NEW INVESTMENT PROJECTS

- GMD's port operation is facing short-term challenges as major ports have exceeded capacity and competitive pressure is increasing.
- Net profit for the period 2025-2026 is expected to increase by 12.8% and 8.5% yoy, respectively, thanks to the Nam Dinh Vu Phase 3 and the plan to expand the fleet in the logistics segment.
- We recommend HOLD for GMD with a target price of 67,400 VND/share.

Escalating trade tensions are causing core business operations to face many challenges

Amid uncertainties surrounding the U.S. tariff situation, global trade activities are expected to slow down in the first half of 2025. Additionally, with consumer demand in Vietnam's major export markets, including the U.S., China, and the EU, still recovering slowly and remaining at low levels, we assess that the growth of import and export activities will decelerate, increasing by 9-10% yoy in 2025.

GMD's major ports have exceeded capacity, and competitive pressure is increasing

For the Hai Phong area, Nam Dinh Vu Port has already exceeded its capacity and will face increasing competitive pressure as new supply from new berths at the Lach Huyen port cluster go into operation. Similarly, in the Cai Mep - Thi Vai area, Gemalink Port has exceeded its capacity in 2024, therefore container throughput growth in this area will slow down. However, when new port expansion projects are completed, it will enhance GMD's competitive position.

Net profit is forecast to increase by 12.8%/8.5% in 2025-26

We estimate throughput volume through the system (excluding Gemalink) will increase slightly by 5.4% yoy in 2025 before surging by 16.5% yoy in 2026, thereby driving revenue growth of 16.1% yoy in 2025 and 13.5% yoy in 2026. Profit from JVs and Associates is expected to increase slightly by 6.2% in 2025 and surge by 12.6% yoy in 2026 as contribution from Gemalink improves strongly by 16.6% yoy in 2026. Consequently, GMD's net profit is projected to increase by 12.8% / 8.5% yoy in 2025-26 respectively.

Recommend HOLD with a target price of 67,400 VND/share

We value GMD's stock based on a SOTP valuation method, with a target price of VND 67,400 VND/share. Due to the core business of GMD facing several challenges in the short term and limited upside potential, we recommend HOLD for GMD. In the long term, GMD's growth prospects will depend on new investment projects with expected operation start times in 4Q/25 and 4Q/26.

Financial indicators	Dec-23	Dec-24	Dec-25	Dec-26
Net revenue	3,846	4,832	5,612	6,371
Net profit after tax & minority	2,238	1,441	1,625	1,764
Net revenue growth	-1.3%	25.7%	16.1%	13.5%
NPATMI growth	125.2%	-35.6%	12.8%	8.5%
Gross profit margin	46.2%	44.7%	49.6%	47.8%
EBITDA margin	39.3%	36.2%	37.2%	37.6%
ROAE	28.5%	16.1%	15.3%	15.8%
ROAA	19.0%	12.0%	10.9%	10.3%
EPS (VND/share)	7,207	3,482	3,926	4,261
BVPS (VND/share)	23,509	33,222	33,865	36,578

Sources: GMD, MBS Research's projection

HOLD

Target price

67,400VND

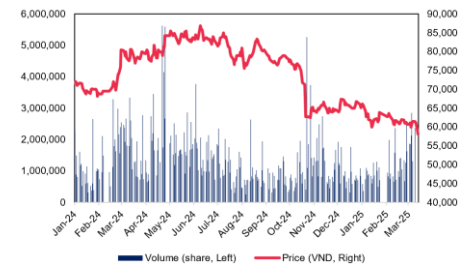
Upside

13.1%

Changes in the report

N/A

Information



Sources: FiinproX, MBS Research

Market price (VND)	58,000
52 Week High (VND)	72,000
52 Week Low (VND)	58,000
Market Cap (bil VND)	25,505
P/E (TTM)	13.5
P/B	1.85
Dividend yield (%)	4
Foreign owned (%)	42.9

Source: <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

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

Analyst

Vo Duc Anh

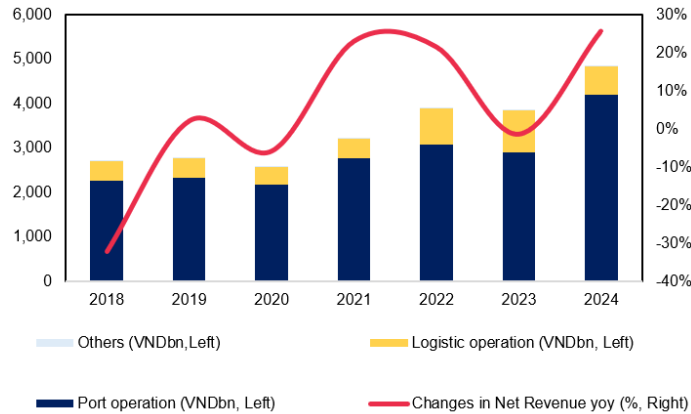
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Company Overview and 2024 Business result

Gemadep Corporation (HSX: GMD) was formerly known as the United Transport Agency Corporation, established in 1990. GMD was the first enterprise to introduce container services to Vietnam and connect shipping routes to bring Vietnamese goods to the international market. GMD is the only listed company that owns and operates a port system spanning from the North to the South, providing a variety of services in the fields of ports, logistics, forestry, and real estate.

Figure 1: GMD's revenue structure in the period 2018-2024

(Unit: bil VND)



Sources: GMD, MBS Research

Figure 2: GMD's business activities



Source: GMD

Currently, GMD is one of the leading enterprises in port operation and logistics in Vietnam, with a cargo volume passing through its ports reaching over 4.4 million TEUs in 2024. According to GMD's 2024 business results, the revenue from port operation and logistics activities accounted for 86.9% and 13.1% of net revenue, respectively, with a compound annual growth rate (CAGR) of 9.1% in port operation revenue during the period from 2018 to 2024. GMD currently owns 6 ports and 6 logistics centers, especially the deep-water port Gemalink which can accommodate the largest current generation of Megaships, with a total designed capacity of up to 3 million TEUs.

Figure 3: GMD's ports and designed capacity

Area	Position	Port	Designed Capacity	Vessel size
South	Ba Rịa - Vũng Tàu	Gemalink	3,000,000	250,000 DWT maximum
		Binh Duong	800,000	30,000 DWT maximum
	Ho Chi Minh City	Phuoc Long ICD	500,000	
North	Hai Phong	Nam Dinh Vu	1,200,000	48,000 DWT maximum
		Nam Hai ICD		
Central	Quang Ngai	GMD Dung Quat	2 mil bulk cargo/year	70,000 DWT maximum

Sources: GMD, MBS Research

Figure 4: GMD 4Q24 and FY2024 financial results (Unit: bil VND)

Financial indicators	4Q24	% qoq	% yoy	2024	% yoy	Comments
Revenue	1,412	12%	37%	4,832	26%	
- Port operation	1,277	17%	55%	4,201	44%	GMD's core business continued to maintain positive growth due to the improving macroeconomic situation and the ongoing recovery of trade activities, which helped the total throughput through the system reach 4.44 million TEUs (+47% yoy), of which Nam Dinh Vu port exceeded its designed capacity by 8.3%.
- Logistic, leasing, others	135	-3%	-36%	632	-32%	Revenue from GMD's logistics operations continued to record a decline, mainly due to the company re-signing ship charter contracts with significantly reduced charter rates compared to the previous rates in 2022.
Gross profit	629	14%	48%	2,162	55%	
- Port operation	578	-1%	75%	1,965	55%	
- Logistic, leasing, others	51	256%	-47%	435	-61%	
Gross profit margin	44.6%	0%	3.4%	44.7%	-1%	
- Port operation	45.2%	-8%	5.3%	46.8%	3%	
- Logistic, leasing, others	38.1%	62%	-26.2%	31.2%	-23%	
SG&A expense	270	48%	(0)	816	23%	
Financial revenue	29	532%	0	418	-78%	Financial income decreased sharply because in 2023 GMD recorded a profit from the divestment of Nam Hai Dinh Vu port.
Financial expense	16	-68%	(0)	150	-3%	
- Interest expense	33	-4%	(0)	139	3%	
Income from JVs & associates	313	41%	1	816	197%	In 2024, Gemalink port exceeded its designed capacity by 10%. Additionally, SCS's positive business results contributed to GMD's strong growth momentum.
Profit before tax	351	-30%	0	2,080	-34%	
Net profit	235	-30%	1	1,459	-35%	However, because the company recorded net other expense of approximately VND 333.7 billion in the fourth quarter, this reduced GMD's net profit in Q4/24, thereby causing the net profit for the entire year 2024 to decrease by 35.2% yoy.

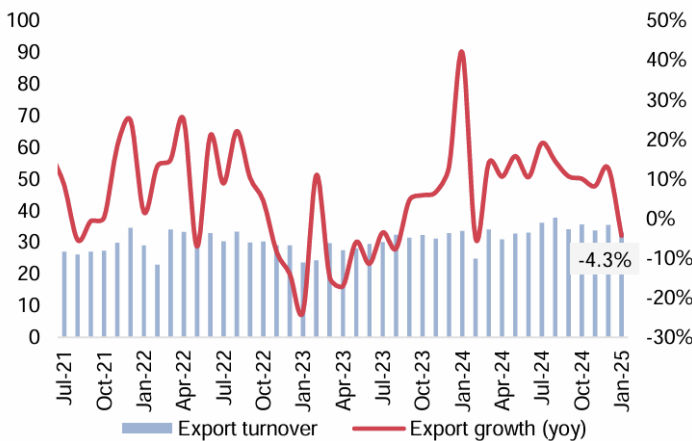
Source: GMD, MBS Research

Core business operations face significant pressure from increased competition in the short term; however, the medium- to long-term growth momentum is still maintained due to the expansion of major ports

Escalating trade tensions caused trade activities to slow down

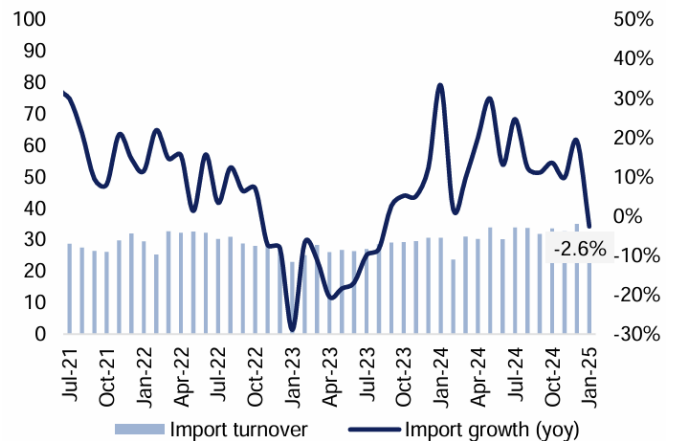
According to the General Statistics Office, in January, Vietnam's total import-export turnover reached USD 63.15bn, a decrease of 10.5% compared to the previous month and a decrease of 3.5% compared to the same period last year, of which exports decreased by 4.3%, and imports decreased by 2.6%. The decrease in export growth rate is partly due to the high base of last year (Export turnover in January 2024 reached USD 33.57bn), and partly due to the coincidence with the Lunar New Year holiday, which caused customs and businesses to close, leading to a decrease in export volume. Regarding export markets, the United States is Vietnam's largest market with an estimated turnover of USD 9.8bn (down 2.1% yoy), exports to the EU decreased by 12.6% yoy, reaching USD 4bn, while export turnover to China reached USD 5.8bn (up 25.2% yoy).

Figure 5: Export turnover by month (USDbn)



Source: General Statistics Office, MBS Research

Figure 6: Import turnover by month (USD bn)

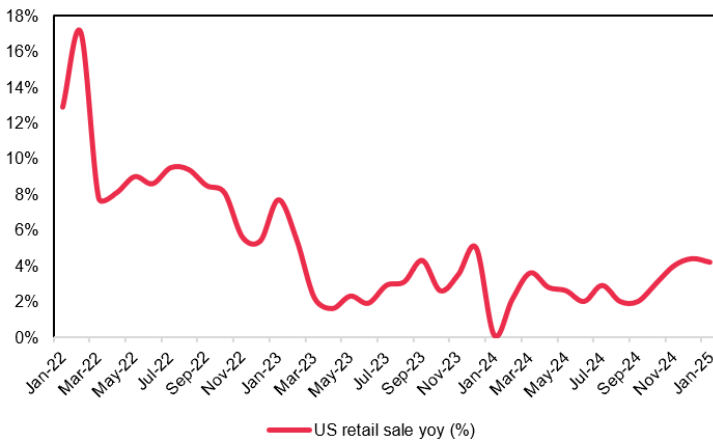


Sources: General Statistics Office, MBS Research

In 2025, we assess that Vietnam's export activities will face many challenges due to trade tensions in major countries such as the US, EU, and China when the new US tariff policies are implemented. Recently, US President Donald Trump officially imposed a 25% tariff on imported products from Canada and Mexico, in which he also applied a 20% tariff on products from China (compared to the previous rate of 10%). Furthermore, Trump also stated that his administration would soon announce a 25% tariff on all imports from the European Union (EU). We assess that global trade activities will slow down in the first half of 2025, due to:

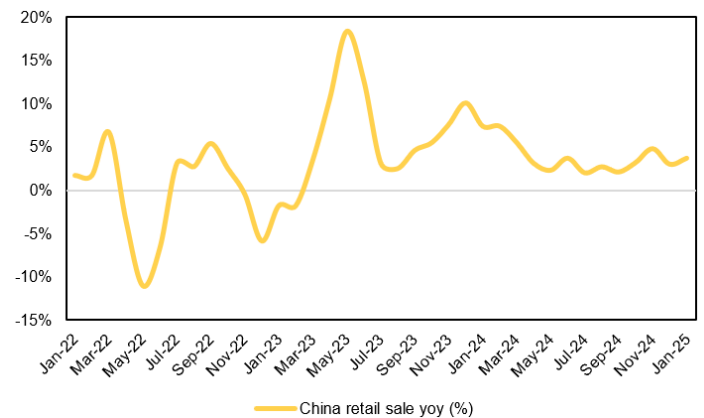
- (1) The stockpiling inventory trend in preparation for the new US tariff policies caused some orders in 2025 to be brought forward, requiring the market some time to consume this volume of goods, especially as the growth rate of retail sale in the US remains slow. Given the uncertainties surrounding the new US tariff policies, we assess that manufacturers and retailers will wait for official decisions from the White House and monitor the consumption situation before deciding to import new quantities of goods.
- (2) Furthermore, with the US imposing tariffs on Vietnam's second-largest export market, which is China, the competitive pressure on Vietnamese goods will increase in the short term. Because domestic consumption demand in China remains weak, as evidenced by the slow recovery of retail sales in the country, goods that cannot be exported to the US will, instead of being retained for domestic consumption, be exported to other markets, including the EU region – one of Vietnam's major export markets.

Figure 7: Change in US retail sale yoy



Sources: FED, MBS Research

Figure 8: Change in China retail sale yoy



Sources: Investing, MBS Research

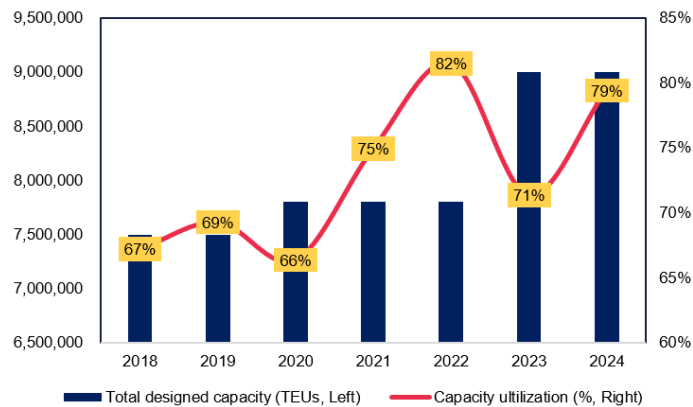
We expect that exports will grow by 9 - 10% in 2025 - lower than the 14.3% of 2024 - due to:

- (1) Export activities recovered significantly last year, creating a high base.
- (2) Vietnam's exports this year still face many challenges such as: weak demand for electronic components in the short term, while major markets like the US are increasing tariff barriers and implementing new protectionist measures with unpredictable policies that could disrupt global value chains.
- (3) Vietnam still has the potential to have tariffs imposed by the US as it is the country with the third-largest trade surplus with the US, with a surplus reaching USD 123.5 billion in 2024.

The growth momentum in the Hai Phong area comes from Nam Dinh Vu Phase 3.

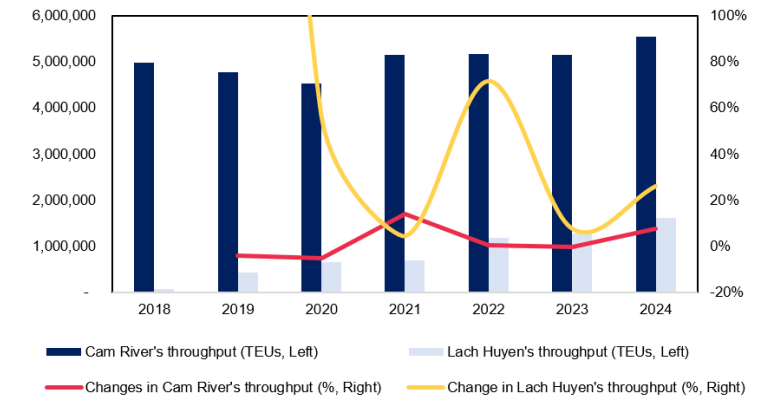
In recent years, although the demand for container handling in the Hai Phong area has continuously grown, it has mainly concentrated at Lach Huyen deep-water port. For the group of ports in the Cam River area, the container throughput through this area has not increased proportionally to the growth in supply. According to Vietnam Seaports Association (VPA) estimates, the cargo throughput through this area only increased by 1.1%/year during the period 2018-2023, while many ports in the Cam River area continue to expand their capacity (such as VIMC port, Mipec port, and Nam Dinh Vu phase 2 and 3), thereby making the oversupply situation in this area more severe.

Figure 9: Ports's capacity in Hai Phong area from 2018-2024



Sources: VPA, MBS Research

Figure 10: Container throughput through Hai Phong area from 2018-2024



Source: MBS Research

In 2024, Nam Dinh Vu port, estimated to reach 140,000 TEUs per month in the last quarter of 2024, achieved a cargo throughput of 1,300,000 TEUs for the entire year, a sharp increase of 86.9% yoy and exceeding its designed capacity by 8.3% after only one year of operation. However, the operations of GMD's ports in the Hai Phong area will face many challenges when the new port berth projects of the Lach Huyen port cluster go into operation. Four new berths at Lach Huyen are expected to become operational in 1H2025, including the Lach Huyen port berth 3 & 4 project providing an additional 1.1 million TEUs, and the Lach Huyen port berth 5 & 6 project providing an additional 1.8 million TEUs, both are expected to commence operation in Q1/2025, in total helping to triple the capacity of this port cluster, thereby increasing competitive pressure in Hai Phong area.

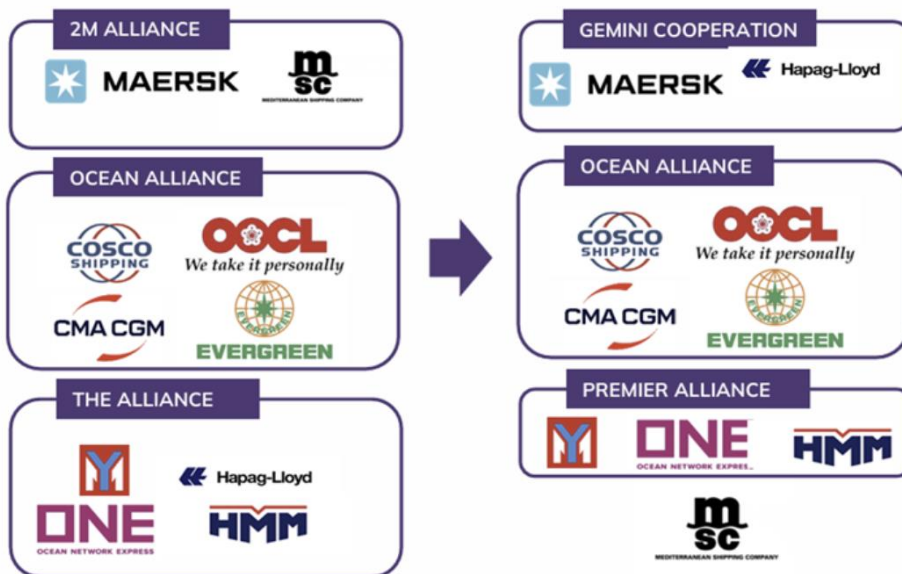
Figure 11: Hai Phong's Port expansion projects

Port	Investor	Investment capital	Designed capacity (TEUs/year)	Expected operation time
Lach Huyen berth number 3,4	Port of Haiphong JSC	6,900	1,100,000	Q1/2025
Lach Huyen berth number 5,6	Hateco Group JSC	8,900	1,800,000	Q1/2025
Lach Huyen berth number 7.8	Saigon Newport Corporation	12,800	1,900,000	Phase 1 (1.1mil TEUs/year) operates from 2027

Source: MBS Research

Furthermore, at the beginning of 2025, the change in shipping alliances will impact the global supply chain and the reallocation of capacity by shipping lines. Consequently, shipping lines will have to reposition transshipment ports to align with the new alliances. In particular, the world's largest shipping line - MSC - will move its cargo from Nam Dinh Vu port to berths 3 & 4 of Lach Huyen port, which is operated by a joint venture between Port of HaiPhong JSC – PHP and Terminal Investment Limited – a subsidiary of MSC. According to estimates, MSC's cargo volume accounts for approximately 17% of the total cargo throughput at Nam Dinh Vu port.

Figure 12: Changes in shipping alliance from 2025



Source: Drewry

However, we expect that in the medium to long term, this will not significantly impact GMD's business in this area, due to:

- (1) Lach Huyen and Nam Dinh Vu ports serve different customer segments. Lach Huyen port aims to serve mother vessels with large deadweight tonnage (up to 100,000 DWT) and operates on long-haul routes, while GMD's Nam Dinh Vu port focuses on vessels with lower deadweight tonnage (up to 48,000 DWT) and operates on intra-Asia routes.
- (2) Nam Dinh Vu port currently possesses many geographical advantages such as its location at the gateway to the East Sea and its proximity to warehouses, combined with having the largest berth length in the area (capable of accommodating up to 4 feeder vessels at the same time). In particular, the completion of the Ha Nam Canal project allows the company to accommodate larger vessels (up to 48,000 DWT) as well as reduce transportation time and costs, thereby helping to enhance the competitive advantage of Nam Dinh Vu port compared to other ports in the area.
- (3) Recently, the company welcomed a new service route CKV2 with the vessel SITC MACAO from the shipping line SITC on January 10th, marking the company's efforts to replace the cargo volume from the shipping line MSC as it shifts to berths 3 & 4 of Lach Huyen port. Therefore, we expect that in the long term, the cargo throughput through Nam Dinh Vu port still has significant growth potential.

Figure 13: Nam Dinh Vu port's performance from 2018-2024

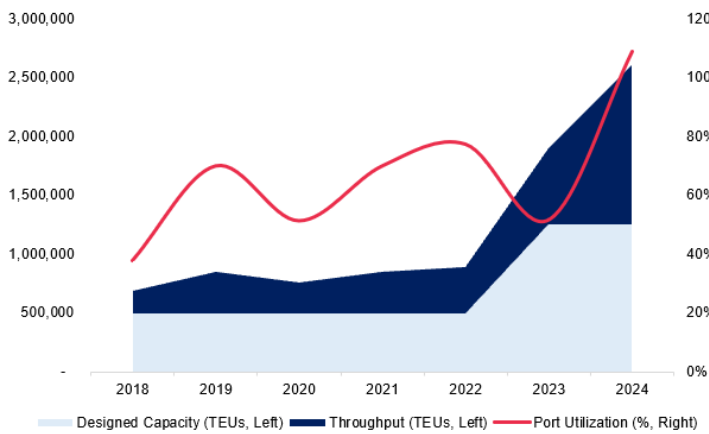


Figure 14: Location of the upgraded channel section after the completion of the Ha Nam Canal

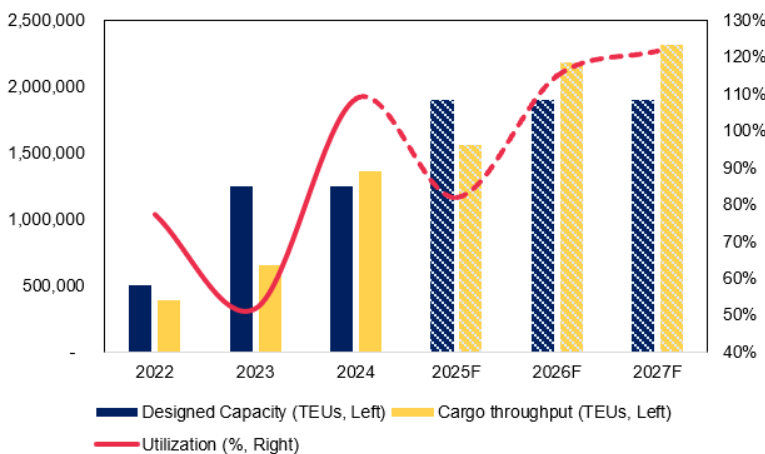


Sources: GMD, MBS Research

Source: Bao giao thong

To increase its competitive advantage in the Cam River area, GMD is focusing on the construction of the Nam Dinh Vu Phase 3 project, which commenced construction in October 2024, and to be able to start operations by the end of 2025. This project will help GMD's Nam Dinh Vu port increase its total capacity to approximately 2,000,000 TEUs (from about 1,200,000 TEUs in 2024) and expand the berth length, increasing the number of vessels that can be accommodated at the same time (increasing to 4 feeder vessels at the same time), thereby helping Nam Dinh Vu port further solidify its position as the largest river port in the area. We forecast that container throughput through Nam Dinh Vu port will increase by 14.6% yoy to 1.6 million TEUs in 2025 and increase sharply by 40.1% yoy to 2.2 million TEUs in 2026.

Figure 15: Nam Dinh Vu Port's Container Throughput and Performance from 2018 – 2027F



Sources: GMD, MBS Research

Figure 16: Nam Dinh Vu port phase 3

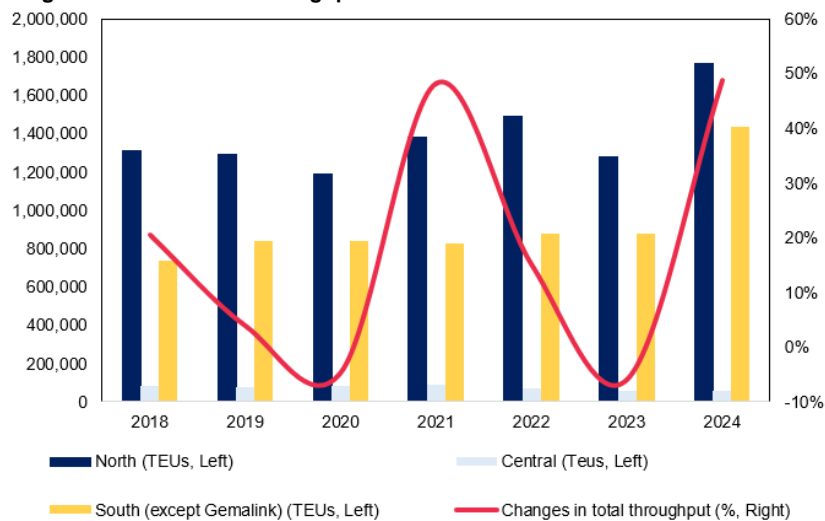


Source: GMD

Concentrate on enhancing competitive position by developing Gemalink port into the largest deep-water port in the Cai Mep - Thi Vai region

In 2024, the total cargo volume through the Southern region reached 3,088,000 TEUs. According to our estimates, the Phuoc Long ICD port cluster and Binh Phuoc port have currently exceeded their designed capacity by 10.6%, and GEMALINK Phase 1 port has also exceeded its designed capacity by 10%. Due to the challenges surrounding the global trade situation, we assess that GMD's cargo throughput through this region will not grow as strongly as in 2024 but will only be at 5% yoy in 2025.

Figure 17: GMD's total throughput from 2018 – 2024



Source: GMD, MBS Research

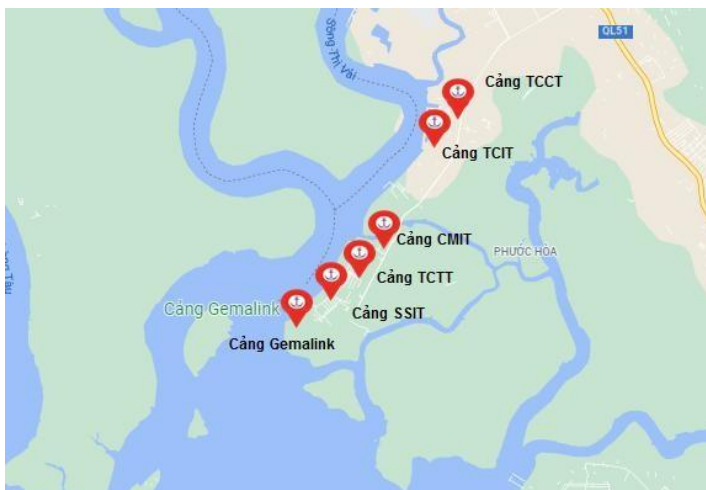
However, based on the port development plan up to 2030, we believe that the Cai Mep - Thi Vai area, with its advantage as a natural deep-water port cluster, will continue to play an important role in attracting major shipping lines, thereby driving the growth of cargo volume through the ports in this area.

Figure 18: Cai Mep – Thi Vai’s ports and strategic shareholders

Port	Domestic shareholders	Foreign shareholders	Shipping line
CMIT	VIMC, Cảng Sài Gòn	AOM Terminals	Maersk
SSIT	VIMC, Cảng Sài Gòn	SSA Holdings Intl.	MSC
TCIT	Tân Cảng Sài Gòn	Wan Hai, Hanjin, Mitsui O.S.K	Wan Hai, Hanjin, Mitsui O.S.K
Gemalink	Gemadep	CMA Terminals	CMA - CGM
SP-PSA	VIMC, Cảng Sài Gòn	PSA International	MSC

Sources: FiinRatings, MBS Research

Figure 19: Ports in Cai Mep Thi Vai area



Source: MBS Research

To capitalize on the trend of increasing vessel sizes among major global shipping lines, GMD is currently focusing on improving and developing Gemalink port into the largest deep-water port in the region. It is expected that the completion of Gemalink port phase 2 will further increase the company's competitive advantage compared to other ports in the area. According to the company, GMD is currently finalizing the preparation steps to proceed with the Gemalink port expansion project phases 2A and 2B:

- (1) **Gemalink Phase 2A:** This phase will increase the total port capacity by an additional 600,000 TEUs and expand the berth, increasing the berthing capacity to up to 2 mother vessels (800m in length) simultaneously. Currently, the company is finalizing the legal procedures, with construction expected to commence in Q4/25 and operations to begin from Q4/26.
- (2) **Gemalink phase 2B:** This phase will help increase the total port capacity by an additional 900,000 TEUs, thereby raising the total capacity of the entire Gemalink port to approximately 3,000,000 TEUs. The company expects to commence construction when Phase 2A of Gemalink reaches 70% of its designed capacity, with operations expected to begin from Q4/2028.

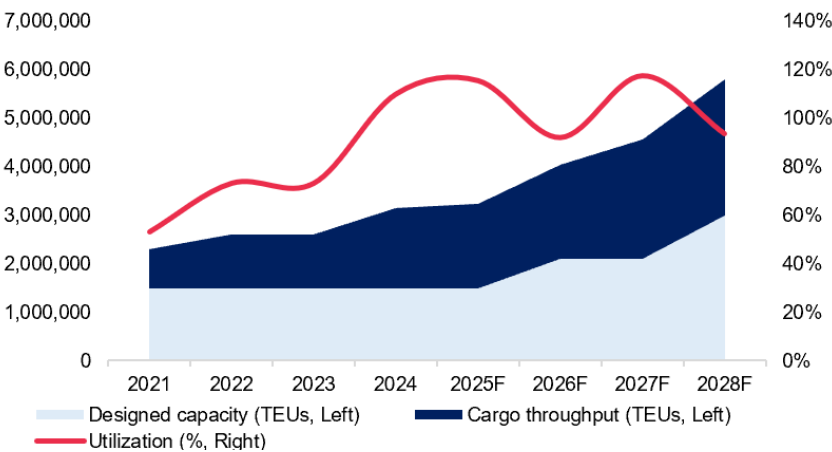
Figure 20: Gemalink phase 2A and 2B



Source: GMD

Upon completion of the Gemalink Phase 2 project, it is expected to help increase the total capacity by an additional 1,500,000 TEUs, thereby making Gemalink the largest port in the Cai Mep – Thi Vai area, increasing the competitive advantage for GMD. Furthermore, CMA-CGM, the main partner of Gemalink port, continues to maintain its role in the Ocean Alliance, an agreement that has been extended until 2032, thereby helping to maintain a stable volume of container cargo through Gemalink port in the medium and long term. We forecast that container throughput through GEMALINK port will increase by 5% yoy to 1.7 million TEUs in 2025 and continue to increase by 11.7% yoy to 1.9 million TEUs in 2026.

Figure 21: Gemalink performance from 2018-2028F



Sources: GMD, MBS Research

Regarding the Can Gio International Transshipment Port, although its location is relatively close to Gemalink, we assess that the throughput of Gemalink port will not be negatively affected. Instead, in the long term, the Can Gio port will promote the growth of container throughput through Gemalink port. This is because the Can Gio International Transshipment Port is oriented to become a transportation and reception hub for mother vessels (up to 250,000 DWT) for major shipping lines such as MSC. Meanwhile, Gemalink port is positioned as an international gateway, handling Import-Export cargo, as in 2024, 95% of the cargo throughput through the port was direct import-export cargo, and the remaining 5% was transshipment cargo from mother vessels. Therefore, we assess that when the Can Gio port becomes operational, it will not compete directly but will attract additional cargo volume through Gemalink port.

2025-2026 Business results forecast

In summary, we assess that GMD's core business operations will face pressures in the short term when:

- (1) The growth in cargo throughput across the entire system slows down as GMD's major ports have exceeded capacity and global trade tensions have increased.
- (2) Competitive pressure at the Hai Phong port cluster will increase in the short term as supply increases sharply due to the new berths of the Lach Huyen port cluster becoming operational in 1Q25.

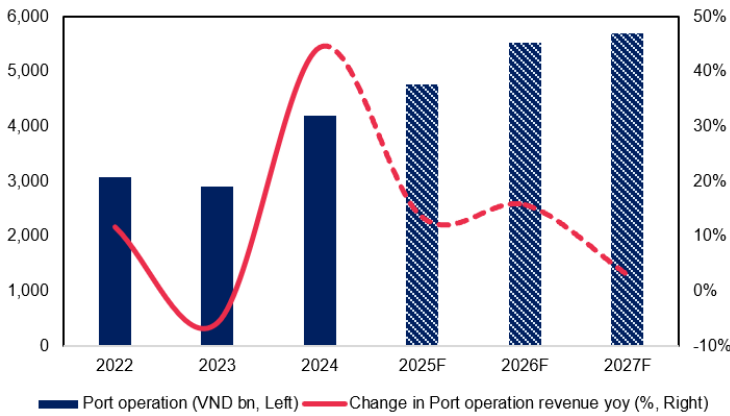
However, we assess that GMD will still continue to maintain its position and achieve strong growth in the medium and long term upon completion of its major port expansion projects, including the Nam Dinh Vu Phase 3 and the Gemalink Phase 2A and 2B.

Indicator	2024	2025F	% yoy	2026F	% yoy	Comments
Revenue	4,832	5,612	16%	6,371	14%	
Include						
- Port operation	4,201	4,767	13%	5,516	16%	Throughput growth across the entire system in 2025 will slow down, increasing only slightly by 5.4% yoy, reaching 5.1 million TEUs, and will continue to increase to nearly 6 million TEUs, an increase of 16.5% yoy in 2026 when the Nam Dinh Vu Phase 3 becomes operational. Although stevedoring service fees remain unchanged, the company has increased handling service fees by approximately 10% yoy at the beginning of 2025, thereby helping revenue continue to grow by double digits.
- Logistic, leasing, others	632	846	34%	854	1%	GMD is expected to purchase 3 new vessels with a capacity of 1,800 TEUs each in Q2/2025 for the purpose of time chartering, increasing the total number of vessels in the fleet to 7. This will help increase the total transportation capacity to 8,600 TEUs, nearly double the previous capacity of only about 3,200 TEUs. This is expected to contribute an additional approximately VND 213bn to logistics revenue.
Gross profit	2,162	2,781	29%	3,047	10%	
- Port operation	1,965	2,403	22%	2,691	12%	
- Logistic, leasing, others	197	378	92%	356	-6%	
Gross profit margin	45%	50%	5%	48%	-2%	We assess that both of GMD's business segments benefit from the decrease in oil prices, which helps improve profit margins. However, oil and fuel prices are expected to recover in 2026, causing the profit margins of these two segments to decrease slightly yoy.
- Port operation	47%	50%	4%	49%	-2%	
- Logistic, leasing, others	31%	45%	13%	42%	-3%	
SG&A expense	816	1,155	41%	1,310	13%	
% SG&A expense	17%	21%	4%	21%	0%	
Financial revenue	400	115	-71%	131	14%	GMD's financial revenue decreased sharply as it no longer recorded profit from the divestment at Nam Hai Dinh Vu port.
Financial expense	150	177	18%	200	13%	
include: Interest expense	139	164	18%	186	13%	
Income from JVs & associates	816	866	6%	976	13%	We estimate that Gemalink's contributed profit will only increase slightly by 1.6% in 2025 as throughput growth slows down because it has already exceeded its capacity in 2025.

- Gemalink	537	547	2%	638	17%	We estimate that Gemalink's revenue will increase by 5% yoy to approximately VND 2,630 bn in 2025 and continue to increase by 11.7% yoy to approximately VND 2,937 bn in 2026 when the Gemalink 2A project becomes operational from 4Q/26, thereby contributing VND 546.8 bn to GMD's profit from joint ventures and associates, a slight increase of 1.8% yoy in 2025, and VND 637.6 bn, an increase of 16.6% yoy in 2026.
- Sai Gon Cargo Service JSC (SCS)	251	270	8%	285	5%	
- Others	28	49	80%	53	8%	
Profit before tax	2,061	2,325	13%	2,523	9%	
Profit after tax	1,887	2,128	13%	2,309	9%	
Minority interest	446	502	13%	545	9%	
Net profit	1,441	1,625	13%	1,764	9%	In summary, due to slower cargo throughput growth in 2025 and a sharp decline in financial revenue, however, thanks to revenue from logistics activities, net profit is expected to increase by 12.8% yoy and continue to increase by 8.5%yoy in 2026 as throughput recovers and profit from joint ventures and associates recovers with improved contribution from Gemalink in 2026.
EPS (VND/share)	3,482	3,926	13%	4,261	9%	

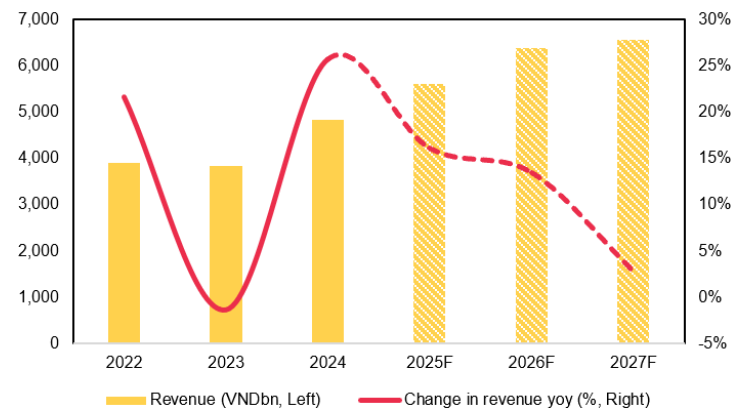
Source: MBS Research's projection

Figure 22: Port operation revenue from 2018 – 2026F



Sources: GMD, MBS Research

Figure 23: GMD's Revenue from 2018 – 2026F



Sources: GMD, MBS Research

Gemadept Corporation (HSX: GMD)

Investment thesis & Recommendation

Investment thesis

We recommend HOLD with a target price of 67,400 VND/share based on:

- Escalating trade tensions lead to numerous challenges for the core business in the short term, coupled with weak consumer demand in major export markets like the US, China, and the EU, causing a slowdown in trade activities in the first half of 2025.
- With GMD's major ports having exceeded capacity in 2024, along with that, GMD's Hai Phong port cluster will face increased competitive pressure due to the additional supply from the new berths of the Lach Huyen port cluster.
- Due to GMD's core business still facing many challenges in the short term and limited upside potential, we recommend HOLD for GMD stock. In the long term, GMD's growth prospects will depend on new investment projects with the commencement of operations starting in 4Q25 and 4Q26.

Valuation & Recommendation

We use the SOTP valuation method to determine the fair value of GMD at 67,400 VND/share (upside potential of 13.1% compared to the closing price on March 13, 2025). Due to GMD's core business still facing many challenges in the short term and limited upside potential, we recommend HOLD for GMD stock.

Figure 24: Valuation summary

Valuation	
Core business equity value (FCFF)	25,558
Rubber project equity value (BV)	1,324
Real Estate equity value (BV)	1,021
Equity value (VNDbn)	27,903
Outstanding shares (million shares)	414
Target price	67,401
Rounded target price	67,400
Upside	13.1%

Sources: MBS Research

Figure 25: Cost of equity

Cost of Equity	
Risk free rate	2.7%
Beta	0.9
Risk premium	7.8
Cost of Equity	9.7%

Source: MBS Research

Figure 26: WACC and terminal growth

WACC and terminal growth	
Cost of debt	7%
Tax rate	20%
WACC	9%
Terminal growth	1.5%

Source: MBS Research

Figure 27: Core business FCFF forecast

FCFF	2025	2026	2027	2028	///	2035
(+) Earning after tax	2,128	2,309	2,556	2,581		2,534
(+) Non-cash expense	461	661	787	889		1,842
(+) Interest expense after tax	131	149	162	176		202
(-) Capex	2,961	1,861	1,487	1,589		2,542
(+) Change in working capital	272	5	(6)	(4)		(6)
Discounted FCFF	31	1,160	1,697	1,591		895

Source: MBS Research

Figure 28: Core business FCFF valuation

Định giá theo FCFF	
(+) Present value of 2025F-2035F	VNDbn 13,028
(+) Present value of terminal value	VNDbn 12,323
(+) Cash and cash equivalent	VNDbn 3,660
(-) Debt	VNDbn 2,950
(-) Minority interest	VNDbn (502)
Core business equity value	VNDbn 25,558

Source: MBS Research

Investment Risks

- A resurgence of inflation and a prolonged trade war between Vietnam's major export-import markets such as the US, China, and the EU, lasting longer than expected, could cause global trade activities to remain sluggish, negatively impacting the company's business operations.
- A delay in the construction of key projects like Nam Dinh Vu Phase 3 or Gemalink 2A could hinder GMD's cargo throughput growth.

Figure 29: Peers comparison

Company	Nation	Ticker	Mkt cap USDmil	P/E (x)		P/B (x)		ROA (%)		ROE (%)	
				2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F
Cosco Shipping Hold	HK	1919	29,121.1	7.7	#N/A	0.7	#N/A	6.8	#N/A	11.8	#N/A
Westport Holding Berhad	MK	WPRTS	3,469.6	17.2	#N/A	3.8	#N/A	11.8	#N/A	22.5	#N/A
Century Plyboard India Ltd	IN	CPBI	1,838.4	66.9	39.3	6.6	5.8	10.0	14.4	10.4	15.4
Beibu Gulf Port Co., Ltd	CH	000582	2,628.8	15.8	#N/A	1.0	#N/A	3.5	#N/A	6.7	#N/A
Adani Ports & Special Economic Zone Ltd	IN	ADSEZ	28,135.8	23.9	20.5	4.0	3.4	9.9	10.5	17.6	17.8
Xiamen International Airport Co., Ltd	CH	600897	869.8	11.5	#N/A	1.3	#N/A	#N/A	#N/A	11.7	#N/A
Namyong Terminal Pcl	TB	NYT	121.5	8.3	8.3	N/A	#N/A	#N/A	#N/A	14.9	15.4
Average			9,455.0	21.6	22.7	2.9	4.6	8.4	12.5	13.6	16.2
Median			2,628.8	15.8	20.5	2.5	4.6	9.9	12.5	11.8	15.4
Gemadep Corporation	VN	GMD	998.5	17.1	16.6	1.9	1.8	10.2	10.3	12.1	15.8

Source: Bloomberg, MBS Research

FINANCIAL STATEMENTS

Income Statement	2024	2025F	2026F
Net Revenue	4,832	5,612	6,371
Cost of goods sold	(2,290)	2,957	3,474
Gross profit	2,162	2,781	3,047
SG&A	(816)	(1,155)	(1,310)
Profit from operation	1,345	1,627	1,738
Net EBITDA	1,751	2,088	2,398
Pre-tax & interest income	1,345	1,627	1,738
Interest income	400	115	131
Financial expense	(150)	(177)	(200)
Net other income/(expense)	(349)	(107)	(121)
Income from JVs & associates	816	866	976
Pre-tax profit	2,061	2,325	2,523
Corporate income tax	(174)	197	214
Net income	1,887	2,128	2,309
Minority interest	(446)	(502)	(545)
Net profit	1,441	1,625	1,764
Dividend payment	(917)	(1,034)	(1,122)
Retained Earnings	524	591	641
Balance sheet	2024	2025F	2026F
Cash & cash equivalent	3,964	3,660	3,527
Short - term investment	1,021	1,186	1,346
Accounts Receivable	599	696	790
Inventories	83	88	104
Total Current Assets	6,676	6,395	6,635
Fixed assets	4,033	6,533	8,133
Construction in progress	1,717	3,651	2,263
Investment in Real estate	-	-	-
Investment in subsidiaries	1,674	1,356	1,539
Investment in JVs & associates	3,841	3,141	4,994
Other long-term investment	45	52	59
Total Long-term assets	11,310	14,732	16,989
Total Assets	17,986	21,127	23,624
Short-term Debt	422	650	738
Account Payables	462	837	950
Other short-term liabilities	382	673	764
Total Short-term Liabilities	2,107	3,306	3,753
Long-term Debt	1,745	2,300	2,600
Other long-term liabilities	116	281	319
Total Long-term liabilities	2,125	3,802	4,729
Total Liabilities	4,232	7,108	8,481
Charter capital	13,753	14,019	15,143
Additional paid-in-capital	3,920	4,038	4,038
Treasury stock	-	-	-
Retained Earning	3,621	3,551	4,129
Reserved funds	-	-	-
Shareholder's equity	13,753	14,019	15,143
Minority interest	-	-	-
Total shareholder's equity and liabilities	17,986	21,127	23,624

Cash Flow Statement	2024	2025F	2026F
Profit before tax	2,080	2,325	2,523
Depreciation & Amortization	406	461	661
Interest expense	139	164	186
Other adjustment	-	-	-
Changes in working capital	136	272	5
Cash flow from operation	1,647	2,306	4,956
Investment in PPE	(1,598)	(2,961)	(2,261)
Proceeds from sales of PPR	958	475	485
Cash flow from investing	(1,495)	(1,729)	(3,568)
Share issuance & contribution from shareholders	3,059	62	-
Net cash from borrowings	744	783	388
Other cash flow from financing activities	(524)	(692)	(786)
Dividend, profit padi to shareholders	(917)	(1,034)	(1,122)
Cash flow from financing	2,337	(882)	(1,520)
Beginning cash & equivalent	1,472	3,964	3,660
Net cash flow over the year	2,489	(304)	(132)
Ending cash & equivalent	3,964	3,660	3,527
Financial ratios	2024	2025F	2026F
Net revenue growth	26%	16%	14%
EBITDA growth	16%	19%	15%
Operating profit growth	21%	21%	7%
Pre-tax profit growth	-34%	13%	9%
Net profit growth	-36%	13%	9%
EPS growth	-36%	13%	9%
Gross profit margin	45%	50%	48%
EBITDA margin	36%	37%	38%
Net profit margin	30%	29%	28%
ROAE	16.1%	15.3%	15.8%
ROAA	12.0%	10.9%	10.3%
Assets Turnover	0.31	0.29	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	0.1
Net Debt to Total Assets	(0.1)	0.0	0.0
Interest Coverage	12.6	12.7	12.9
Days of sales outstanding	45	42	43
Days of Inventory	10	11	11
Days of payables outstanding	37	42	51
Current ratio	3.2	1.9	1.8
Quick ratio	1.8	1.1	0.9
Cash ratio	2.5	1.6	1.4
Valuation			
EPS (VND/share)	3,482	3,926	4,261
BVPS (VND/share)	33,222	33,865	36,578
P/E (x)	18.8	16.6	15.3
P/B (x)	2.0	1.9	1.8

Sources: GMD, MBS Research's projection

DISCLAIMER

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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.

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