Hai An Transport & Stevedoring JSC (HSX: HAH)

THE GROWTH CYCLE CONTINUES

- Net profit in 9M/24 increased by 42% YoY, driven by the acquisition of 2 new vessels, boosting total capacity by 45% YoY combined with high charter rates and strong recovery in vessels and port operations, due to improved import-export activities.
- HAH net profit is projected to grow by 57%,23% and 9% yoy in 2024, 2025 and 2026 respectively, driven by high charter rate as new contracts are secured combine with fleet expansion and the enhancement of vessels and port throughput.
- We recommend a ADD rating for HAH with a target price of VND 58,000/ share.

Charter revenue increase significantly as charter rates remain high
The combination of increased imports in the US and prolonged tensions in the Red Sea has driven up global freight rates, keeping charter rates at elevated levels. This, coupled with the company's plan to sign new leasing contracts for 8 vessels in 2025-2026, is expected to boost charter rates by 5-10% and lead to a 74%, 61%, and 14% year-on-year increase in HAH's charter revenue in 2024, 2025, and 2026, respectively.

Strong rebound in fleet operation fuels by improved trade activities
We expect the strong recovery of trade activities to prolonged in the last months of 2024, aligned with the trend of inventory replenishment in major economies like the US, and to continue growing in 2025-2026. With 8 self-operated vessels with a total capacity of nearly 11,000 TEU, HAH is well-positioned to meet the growing demand for transportation, thereby driving a 35%, 10%, and 5% yoy increase in output and a 38%, 11%, and 6% yoy increase in self-operation fleet revenue in 2024, 2025, and 2026, respectively.

Net profit is forecast to recover during the 2024-2026 period
We forecast HAH total revenue to surge by 46.1% YoY in 2024 and grow by 23.7% and 9.1% YoY in 2025 and 2026, respectively. While financing costs are expected to soar by 102% YoY in 2024 due to the company's debt-funded fleet expansion, they are projected to moderate, increasing by only 4.6% and 9.2% YoY in 2025 and 2026. Overall, HAH's net profit is expected to increase by 57.4%, 23.2%, and 8.7% YoY in 2024, 2025, and 2026, respectively.

We recommend ADD with a target price of VND 58,000/share.
We value HAH using the FCFF and EV/EBITDA methods, with a target price of VND 58,000 per share. With additional revenue from new vessels in November and December, at charter rates 29% higher than the average rate, and expectations that charter rates will remain elevated as new leasing contracts are secured by the end of the year, we believe this is the right time to invest HAH.

Financial Metrics	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26
Net revenue	3,206	2,613	3,818	4,724	5,155
Net profit	1,041	358	674	828	900
Net revenue growth	64%	-18%	46%	24%	9%
Net profit growth	91%	-55%	57%	23%	9%
Gross profit margin	44%	23%	30%	29%	29%
EBITDA margin	1,586	850	34%	34%	34%
ROAE	37%	11%	17%	16%	15%
ROAA	21%	7%	9%	9%	9%
EPS (VND/share)	6,774	3,172	4,992	6,133	6,667
BVPS (VND/share)	23,791	26,130	33,505	41,473	49,426

Source: HAH, MBS Research

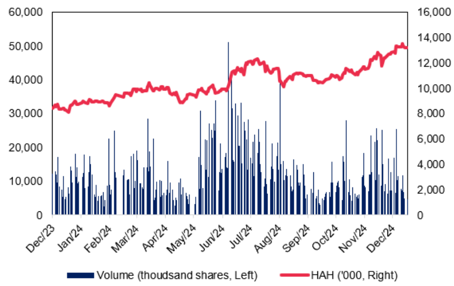
ADD

Target price	**VND 58,000**
Upside	*15.9%*

Key changes in the report

N/A

Information



Source: FiinproX, MBS Research

Current price (VND)	50,000
52W High (VND)	50,700
52W Low (VND)	30,300
Market cap (VNDbn)	6,000
P/E (TTM)	13.9
P/B	2
Dividend yield (%)	0
Foreign ownership (%)	13.3%

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

Ownership (%)

Hai Ha Investment and Transport JSC	16.8
Leadvisors Capital Management JSC	10.9
Marina Logistics Co., Ltd	3.9
Vu Ngoc Son	2.9

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

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Hai An Transport & Stevedoring JSC (HSX: HAH)

Investment thesis and valuation

Investment Thesis

We recommend ADD for HAH with a target price of VND 58,000/share based on the following key points:

- The surge in demand for container shipping, driven by early stockpiling trend in US combined with geopolitical tensions in the Red Sea, and the looming threat of US port strike, has resulted in elevated freight rates and higher charter rates.
- To meet the increasing transportation demand and expand its service network, the company plans to continue expanding its capacity and fleet size in 2025-2026. With the addition of two vessels by 2026, the company's fleet will grow to 18 ships and its capacity will reach approximately 30,100 TEU, marking a 13.6% year-on-year increase.
- Trade activities in Vietnam continue to improve significantly as US retailers and manufacturers shift their production chains to Vietnam due to higher tariffs imposed on goods from China under the new US administration, thereby sustaining the growth in revenue from vessels and port operations.
- With additional revenue from new vessels in November and December, at charter rates 29% higher than the average rate, and expectations that charter rates will remain elevated as new leasing contracts are secured by the end of the year, we believe this is the right time to invest HAH.

Valuation and Recommendation

We have employed both the FCFF and EV/EBITDA methods to determine a fair value for HAH of VND 58,000 per share within one year from the recommendation date, representing a potential upside of 15.9% compared to the closing price on December 24, 2024. Our target EV/EBITDA multiple of 5.7x is based on the expectation that the WCI will continue its upward trend and return to its previous peak before moderating, similar to the periods of 01/2021 – 06/2021 (when HAH's average EV/EBITDA was 4.4x) and 01/2024 – 07/2024 (when HAH's average EV/EBITDA was 6.8x), combined with the benefits of high charter rates from new lease agreements signed at the end of this year which have not yet been fully reflected in the stock price.

Figure 1: Valuation summary

Methods	Price	Proportio	Price by proportion
FCFF	57,693	50%	28,847
EV/EBITDA (target EV/EBITDA = 5.7x)	58,209	50%	29,105
Target price			**57,951**
Target price (rounded)			**58,000**
Potential for price increase			**15.9%**

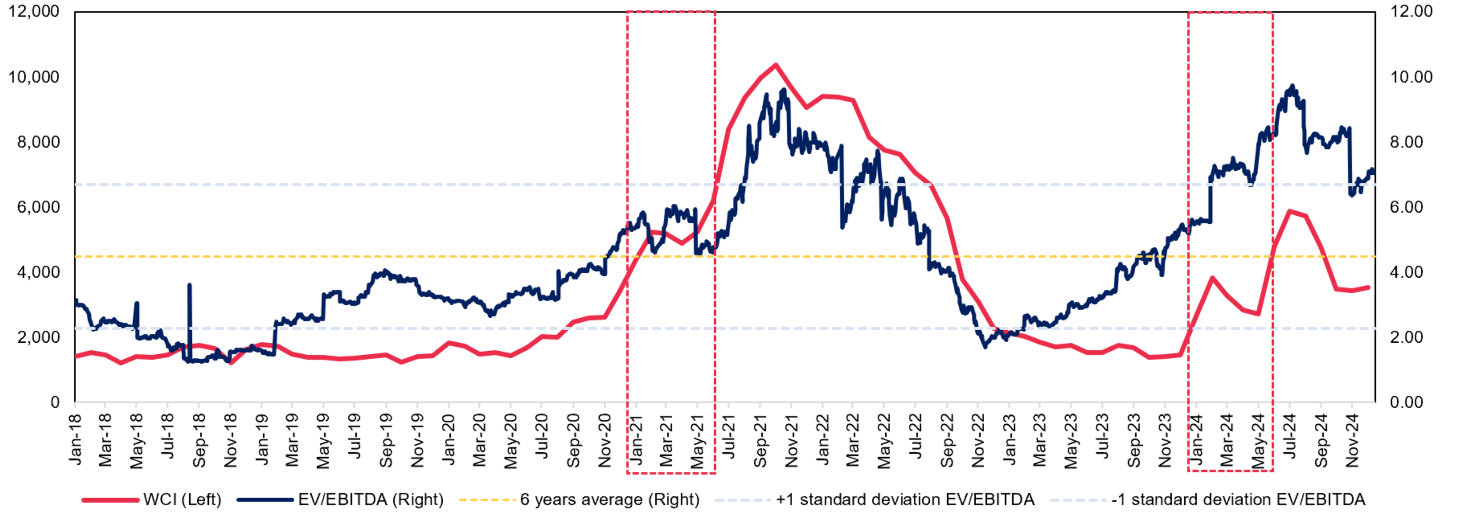
Source: MBS Research

Figure 2: EV/EBITDA valuation

EV/EBITDA method	2024	2025
EBITDA (VNDbn)	1,281	1,603
Target EV/EBITDA		5.7
(-) Total Debt		2,448
(+) Cash and cash equivalent		376
Enterprise value		7,063
Number of share outstanding (million)		121.34
Target price		**58,209**

Source: MBS Research

Figure 3: HAH's EV/EBITDA valuation in 2018 - 2024



Source: Fiinpro, MBS Research

Figure 4: Cost of equity

Cost of equity	
Risk- free interest rate	2.7%
Beta	1.6
Market risk premium	7.8
Cost of equity	15.2%

Source: MBS Research

Figure 5: WACC and terminal growth rate

WACC and terminal growth rate	
Debt expense	7%
Tax rate	20%
WACC	13%
Terminal growth rate	1.5%

Source: MBS Research

Figure 6: FCFF forecast

FCFF forecast	2024	2025	2026	2027	2028	2029	///	2034
(+) Earning after tax	674	828	900	841	878	946		1,292
(+) Non-cash expense	312	442	516	598	640	686		981
(+)After-tax interest expense	116	127	137	145	153	153		144
(-) Capex	2,173	1,189	1,288	608	649	696		989
(+) Change in working capital	574	446	65	10	92	276		78
Discounted FCFF	-497	578	258	680	678	734		436

Source: MBS Research

Figure 7: FCFF valuation

FCFF valuation		
(+) Present value of 2024F-2034F	VNDbn	4,615
(+) Present value of terminal value	VNDbn	4,273
(+) Cash and cash equivalent	VNDbn	214
(-) Debt	VNDbn	2,101
(-) Minority interest	VNDbn	0
Enterprise value	VNDbn	7,001
Number of share outstanding	Million	121
Target price	VND/share	57,693

Source: MBS Research

Investment risks

- Global trade is not recovered as anticipated, resulting in a decrease in global container shipping demand. Consequently, container volumes have fallen short of expectations and freight rates have failed to reach previous peak levels.
- New U.S. policies surrounding the new U.S. presidential term do not proceed as expected, and the level of tariffs on Chinese goods is lower than anticipated, the advantages for Vietnamese goods may not be as clear-cut. As a result, the volume of exports from Vietnam may not increase as expected.

Figure 8: Peer comparison

Company name	Nation	Ticker	Mkt cap	P/E (x)		EV/EBITDA (x)		ROA (%)		ROE (%)	
			million USD	2024	2025	2024	2025	2024	2025	2024	2025
AP Moller - Maersk A/S	Denmark	MAERSKB DC	24,883	5.0	36.1	1.8	2.9	6.7	0.1	36.1	9.4
COSCO SHIPPING Holdings Co Ltd	China	601919 CH	30,774	5.0	10.2	2.0	3.7	9.6	5.7	10.2	21.3
Evergreen Marine Corp Taiwan Ltd	Taiwan	2603 TT	14,625	3.8	7.2	2.2	4.5	15.3	11.0	7.2	25.4
HMM Co Ltd	South Korea	011200 KS	8,539	4.0	8.6	0.5	0.9	10.8	5.9	8.6	13.0
Yinson Holdings BHD	Malaysia	YNS MK	1,785	11.6	10.8	8.8	7.9	4.1	4.2	10.8	10.3
Regional Container Lines PCL	Thailand	RCL TB	701	5.3	31.2	2.5	3.4	7.6	1.2	31.2	10.0
Nanjing Shenghang Shipping Co Ltd	China	001205 CH	563	18.0	14.1	N/A	5.7	N/A	N/A	14.1	11.4
Fujian Guohang Ocean Shipping Group Co Ltd	China	833171 CH	595	35.8	25.2	13.6	10.6	N/A	N/A	25.2	7.2
Average				**11.1**	**17.9**	**4.5**	**4.9**	**9.0**	**4.7**	**17.9**	**13.5**
Median				**5.2**	**12.5**	**2.2**	**4.1**	**8.6**	**5.0**	**12.5**	**10.9**

Source: Bloomberg, MBS Research

Company Overview

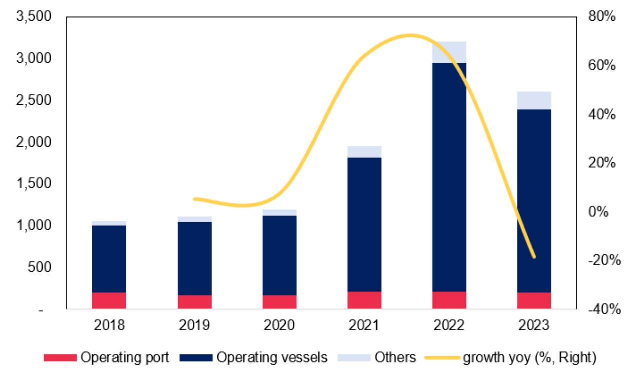
Hai An Transport and Stevedoring Joint Stock Company (HSX: HAH) was established in 2009 and operates in the logistics sector, include:

- Operating vessels has been the main growth driver for HAH from 2018 to 2023, with a compound annual growth rate (CAGR) of approximately 18.4% in net revenue, reaching VND 2,194.8 billion in 2023, contributing 84% of total revenue. HAH currently owns 16 vessels with a total capacity of 26,500 TEU, serving the major domestic transportation routes in Vietnam. In 2022, HAH began expanding into intra-Asia markets through routes such as Hai Phong – Kham Chau and Hai Phong – Guangzhou, and entered a joint venture with ZIM Integrated Shipping Services Ltd to expand its intra-Asia routes between Vietnam – Malaysia and Vietnam – Malaysia – India. HAH also leases approximately 7 vessels of 1,800 TEU with an average rate of USD 16,000 per vessel per day, and 1 vessel of 3,500 TEU at USD 31,000 per vessel per day in the Middle East region.

- HAH owns one port in Hai Phong city, with a container yard of 150,000 m², a CFS warehouse of 4,000 m², and a joint venture project with Pantos Holding Group – Depot Pan Hai An, covering 154,000 m² and a capacity of 9,000 TEU. This project is designed to support the company's fleet. In 2023, net revenue from port operations reached VND 199.3 billion, contributing 7.6% of total revenue.

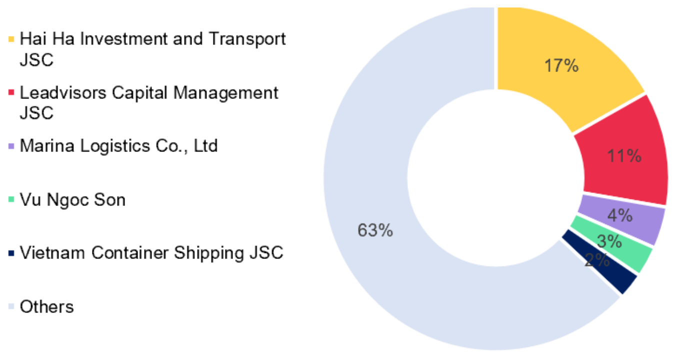
Figure 9: HAH's revenue structure in 2018- 2023

(Đơn vị: Tỷ VND)



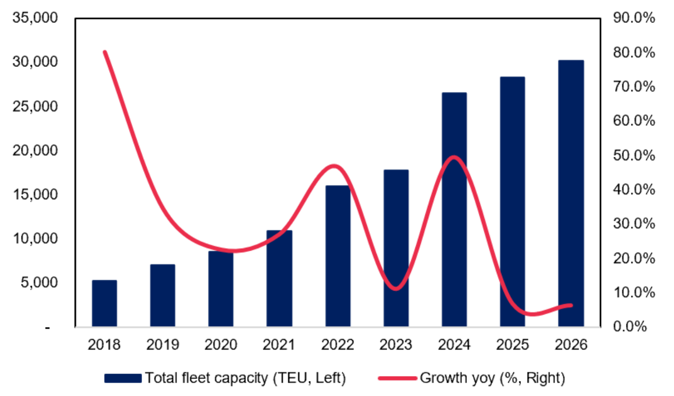
Source: HAH, MBS Research

Figure 10: HAH's share holdings structure of 12/2024



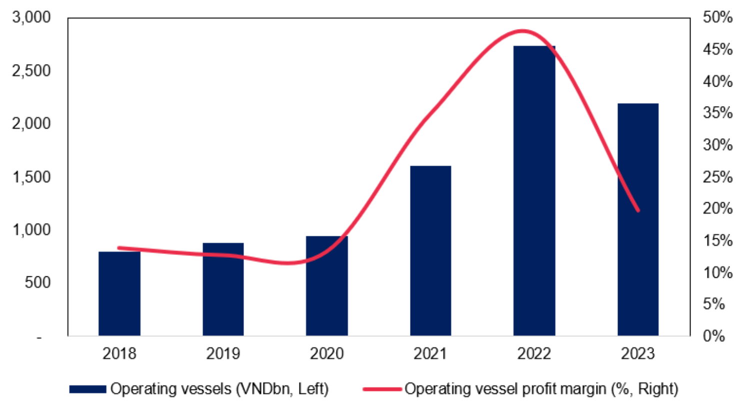
Source: HAH, MBS Research

Figure 11: Fleet capacity in the period from 2014 - 2023



Source: HAH, MBS Research

Figure 12: Operating vessels revenue in the period from 2018 - 2023



Source: HAH, MBS Research

3Q24 & 9M24 business result

Figure 13: Summary of 3Q24 and 9M24 HAH's business result (Units: VNDbn)

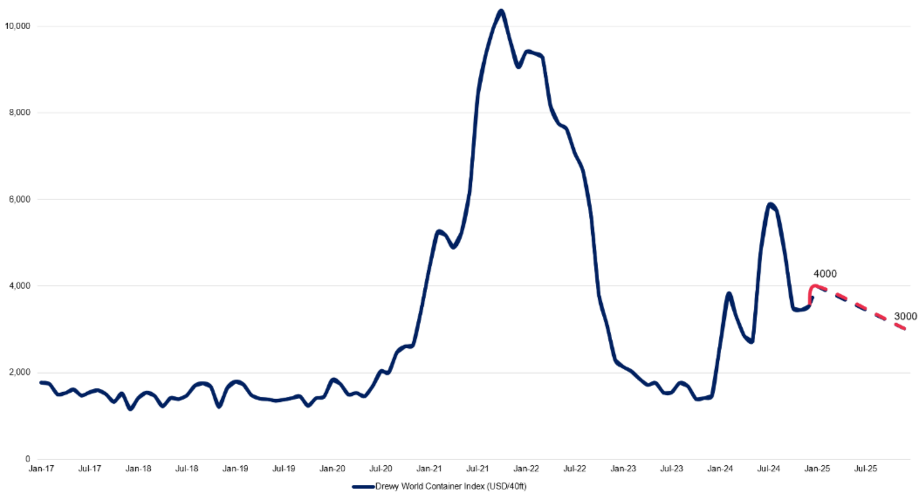
VNDbn	Q3/2024	qoq (%)	yoy (%)	9T2024	yoy (%)	Comments
Revenue	**1,129**	**18.9%**	**65.6%**	**2,782**	**42.8%**	
- Operating port	128	-5.9%	43.3%	372	61.9%	A significant increase in import and export activities led to a substantial rise in cargo throughput, driving a 61.9% growth in port service revenue during the first nine months of 2024.
- Operating vessels	1,140	14.1%	51.7%	2,859	37.9%	In 3Q24, HAH added two new vessels to its fleet, increasing total capacity to 23,133 TEU (+44.8% YoY) and expanding the fleet size to 16 vessels (including 8 self-operated and 8 chartered vessels). As a result, we estimate that the proportion of charter revenue will increase to 30.6%, compared to 25.8% in 2023. Additionally, the 5-10% increase in new charter rates in 2Q24, offsetting a slight 3.6% decrease in self-operated rates, contributed to a significant 51.7% YoY growth in shipping revenue..
- Others	230	78.2%	84.7%	472	30%	
- Intercompany elimination	(369)	17.1%	30.0%	(922)	28.5%	
Gross profit	**392**	**57.0%**	**148.0%**	**748**	**50.3%**	
- Port service	56	-15.8%	11.5%	166	55.9%	
- Transportation	220	42.2%	32.5%	415	41.1%	
- Others	119	316.8%	155.4%	171	69.6%	
Gross margin	**34.8%**	**8.4%**	**11.5đ%**	**26.9%**	**1.4%**	The significant increase in LNG revenue is primarily attributable to the recovery of charter rates, enabling the company to renegotiate charter contracts at 5-10% higher rates in 2Q/24. This has led to a substantial improvement in charter revenue
- Operating port	43.9%	-5.1%	-3.6đ%	44.6%	-1.7%	
- Operating vessels	19.3%	3.8%	7.9đ%	14.5%	0.3%	In Q3/2024, DO fuel prices decreased by approximately 17% from their peak in July and were 11.1% lower year-on-year, contributing to an improvement in the shipping operation gross profit margin.
- Others	51.7%	29.6%	18.7đ%	36.3%	8.5%	
SG&A	**46**	**4.6%**	**34.9%**	**124**	**34.2%**	
Financial income	**8**	**626.4%**	**-26.1%**	**18**	**-23.8%**	
Financial expense	**34**	**-2.0%**	**74.9%**	**88**	**47.9%**	
- Interest expense	28	24.8%	55.8%	69	-22.3%	In Q3/24, total debt increased significantly to VND 2,113 billion (+155% YoY) to support the fleet expansion, causing interest expenses to rise by 55.8% YoY
Profit before tax	**321**	**86.3%**	**138.7%**	**559**	**40.7%**	
Net profit	**277**	**115.3%**	**145.7%**	**452**	**41.8%**	Although financial costs increased significantly in Q3/2024 and 9M2024, the robust improvement in port and vessles operations offset this increase, leading to a substantial growth in net profit.

Source: HAH, MBS Research

Strengthening the charter segment amid elevated charter rates

With the peak shopping season approaching, the World Container Index (WCI) has seen a significant 21% increase in the past month, reaching $3,413 per 40-foot container. Key trade routes from China, including Shanghai to Genoa and Rotterdam, have experienced substantial rate hikes of 21% and 16%, respectively, compared to the last week of October.

Figure 14: Drewry World Container Index 2017 – 2025F



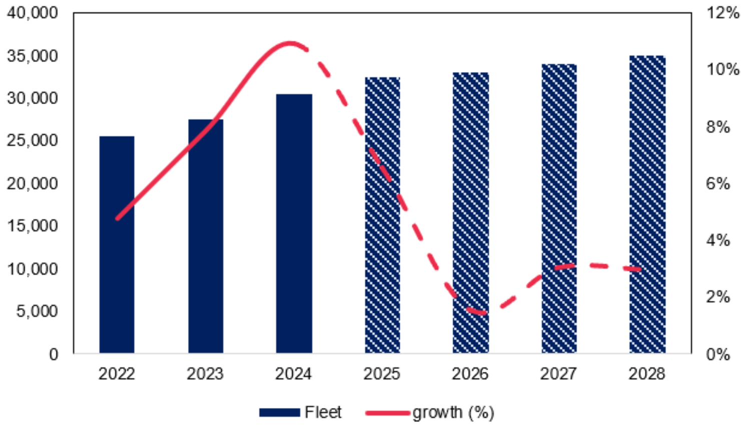
Source: Drewry, MBS Research

With the following drivers: (1) Improved shipping demand combined with slower supply growth, (2) Short-term increase in container shipping demand in preparation for the 2025 U.S. presidential term, (3) Ongoing disruptions in the Red Sea and U.S. port strikes, we expect freight rates to remain high at around USD 4,000/40ft at the end of 2024, continuing through Q1 2025, before cooling to around USD 3,000/40ft in the second half of 2025.

Global container shipping demand improves, combined with slow vessel supply growth, supporting global freight rates

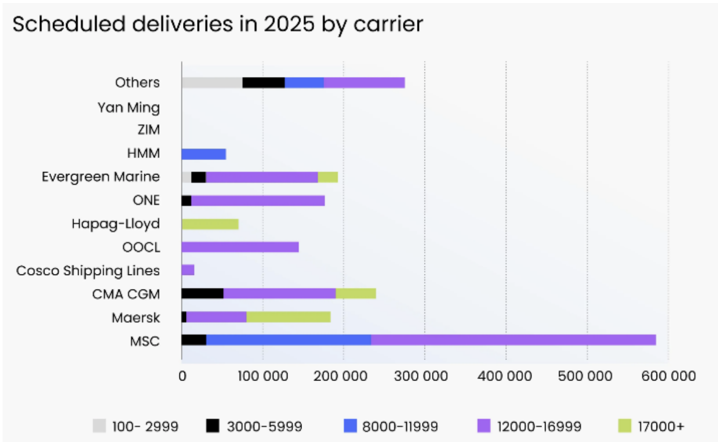
According to Maersk, a leading global shipping and logistics company, worldwide container shipping volumes are forecast to increase by 5-7% in 2025, driven by strong demand from the U.S, which is facing the risk of port strikes and new import tariff policies. Regarding vessel supply, Drewry predicts that global fleet growth will reach 11% in 2024, as new ship orders are expected to total 1.4 million TEUs, the second-highest on record. However, Xenata forecasts a slowdown in fleet growth in 2025, to 4.5%, reaching 32.5 million TEUs, less than half the growth rate seen in 2024. This slowdown is primarily due to a low number of ships being scrapped, reaching only 200,000 TEUs, as charter rates remain elevated.

Figure 15: Global Fleet Capacity Forecast according to Drewry



Source: Drewry, MBS Research

Figure 16: Projected New Ship Deliveries in 2025 by Shipbuilders, according to Xenata



Source: Xenata

The persistence of Red Sea disruptions and US port strikes will likely fuel further increases in freight rates.

The tension in the Red Sea remains, with no political measures in place to ease the ongoing regional tensions. As a result, the need to reroute through the Cape of Good Hope continues to extend transport distances, sustaining the upward trend in freight rates. Additionally, the ongoing US West Coast port strike involving approximately 45,000 workers from the International Longshoremen's Association (ILA) at East Coast and Gulf of Mexico ports in the U.S. in 2024 has contributed to rising shipping rates. Although the ILA and the U.S. Maritime Alliance (USMX) have announced they reached a "preliminary agreement on wages and agreed to extend the master labor contract until January 15, 2025," this temporary solution does not eliminate the possibility of another strike. These two developments are likely to push freight rates back to high levels in 2024 and extend into Q1 2025.

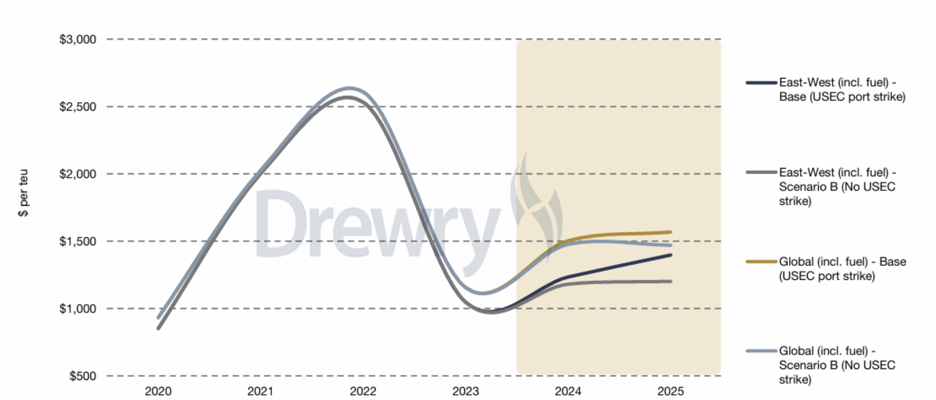
However, with the new presidential term under Donald Trump, who pledged to bring peace to the Middle East during his campaign, new political measures are likely to be introduced to ease tensions in the region. Additionally, with the goal of supporting American workers, Trump is expected to introduce measures that will address the risk of another strike and resolve supply chain issues. Therefore, from the second half of 2025 to 2026, we expect freight rates to cool down.

New U.S. Presidency boosts short-term trade demand

According to Reuters, China's exports in October saw their strongest increase in two years, as manufacturers ramped up imports in preparation for the expected tax hikes in 2025 with the new U.S. presidential term, which is predicted to be tougher than in 2019. In 2018, during Donald Trump's first term, U.S. retailers actively stockpiled inventory in anticipation of his tariff policies on Chinese goods, leading to a 70% increase in container shipping rates. Similarly, the trend of early inventory accumulation is returning in the last three months of 2024, driving up container shipping demand and causing freight rates to recover by 21% from the recent low in October. We expect this trend of stockpiling to push rates back to high levels and maintain an upward trajectory through 1Q/2025. However, as manufacturers and retailers ramp up early imports, orders for 2025 will likely be brought forward into 2024, increasing inventory levels. This will require time to absorb before new goods can be imported, leading us to expect slower import and export activity in 2025, which will decrease container shipping demand.

In conclusion, given the uncertainties surrounding the trade relations between the world's two largest economies, coupled with the US remaining China's largest export market, the imposition of high tariffs on Chinese goods will significantly hinder China's trade activities. Considering that China accounts for 14.2% of global trade, we anticipate that difficulties in China's trade activities will negatively impact global export and import growth, leading to a slowdown in container shipping demand and a decline in freight rates in the second half of 2025-2026..

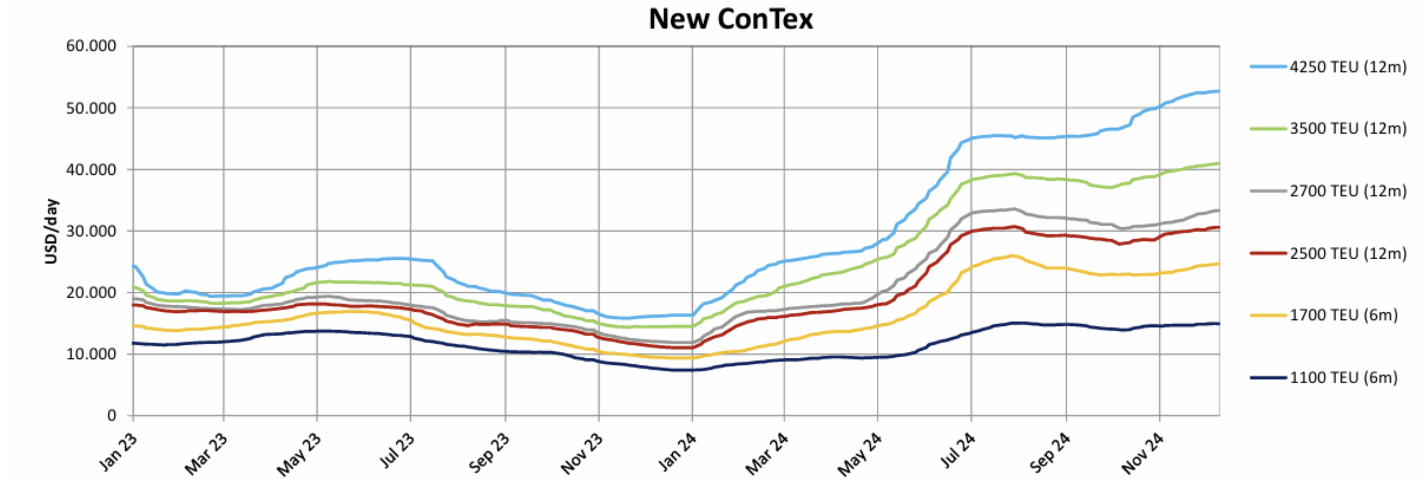
Figure 17: Projected Freight Rates from 2024 to 2025 according to Drewry



Source: Drewry

Drewry forecasts an increase in average East-West freight rates in 2025, primarily driven by contract rates, assuming a new US port strike occurs. However, if the US port strike is averted, Drewry expects East-West freight rates to remain relatively stable. Additionally, according to HellenShipping, as of December 12, 2024, charter rates for 1,800 TEU and 1,700 TEU vessels remain elevated at $29,277 per day and $24,473 per day respectively, representing increases of 182.8% and 161% over the same period last year. Given the trend of frontloading imports, coupled with uncertainties surrounding the Red Sea tensions and the risk of US port disruptions due to strikes, we expect the elevated charter rates to persist through Q1/2025. Consequently, we forecast charter rates for 1,800 TEU vessels to hover around $30,000 per day (+191.7% year-on-year) in the last quarter of 2024 and throughout Q1/2025 before easing to approximately $25,000 per day (-16.7% year-on-year) in 2025 and 2026.

Figure 18: Charter rates according to Hellen Shipping updated on 12/12/2024

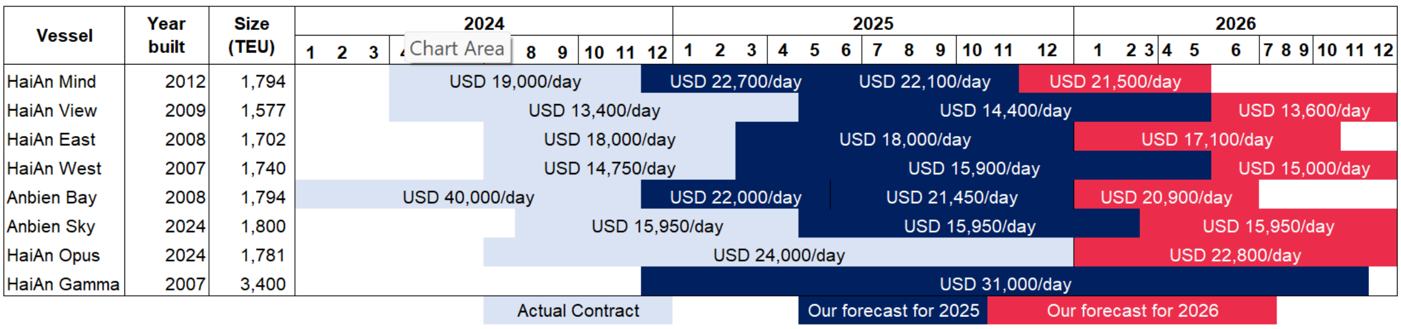


Source: HellenShipping, MBS Research

Vessel chartering activities expected to grow strongly in 2025

Most of HAH's ship charter contracts are set to expire by the end of this year. Given the expectation of elevated charter rates in 2024 and Q1/2025, we anticipate that HAH will renew its charter contracts at an average of approximately USD16,000 / USD21,000 per day (a 31.25% yoy increase) in 2024-2025, respectively before moderating to an average of USD19,600 per day per vessel (a 5% decrease year-on-year) in 2026.

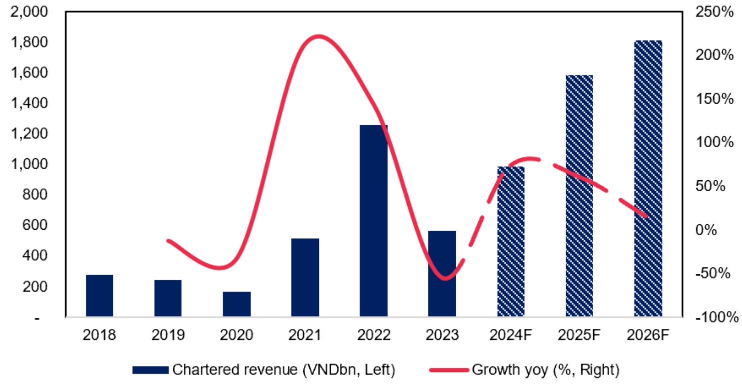
Figure 19: HAH's vessels leasing plan of 2024 - 2025



Source: HAH, MBS Research

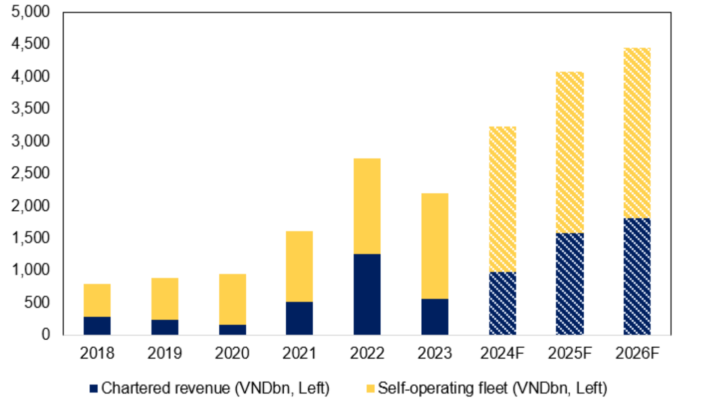
In November, HAH signed a Memorandum of Agreement (MOA) to purchase a vessel named TORO (later renamed HaiAn GAMA), built in 2007. HaiAn GAMA has a designed capacity of 3,500 TEUs, equivalent to a total gross tonnage of 35,573 tons, making it the largest vessel among the company's 16 ships. This acquisition increases Hai An's total fleet capacity to over 26,500 TEUs, a 50% year-on-year growth. After its successful acquisition, the HaiAn GAMA was chartered to the Danish shipping company Maersk for a route between Port Said (Egypt) – Mersin (Turkey) – Port Said (Egypt). According to the Board of Directors, the HaiAn GAMA will be leased under a contract with a projected charter rate of USD 31,000 per day for a term of two years. This is expected to contribute approximately VNDbn 282.9, accounting for about 20.1% and 19.5% of the charter revenue in 2025–2026. As a result, HAH's charter revenue is anticipated to rise by 74.1% to VNDbn 986.7 in 2024, with further increases of 60.8% and 14.4%, reaching VNDbn 1,586.7 and VNDbn 1,815.8 in 2025–2026, respectively.

Figure 20: HAH's charter revenue in 2018 – 2026F period



Source: HAH, MBS Research

Figure 21: The revenue proportion charter revenue and fleet operation of HAH from 2018 to 2026F

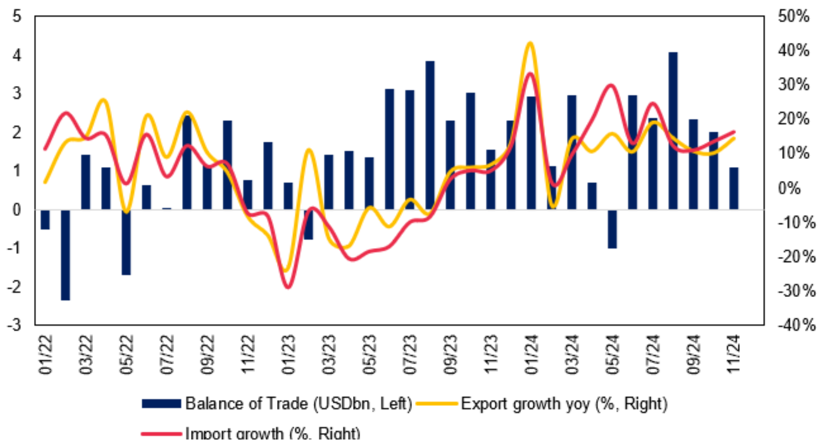


Source: HAH, MBS Research

Fleet operation activities are expected to experience steady growth from 2024 to 2026, driven by the robust recovery of Vietnam's trade

According to data from GSO, in November, the preliminary total import and export turnover of goods reached USDbn 66.4 , down 4.1% from the previous month but up 9% compared to the same period last year. This brought the total import and export turnover of goods for the first 11 months of 2024 to USDbn 715.6, an increase of 15.4% yoy, indicating a clear recovery compared to 2023. With the results achieved over 11 months and recent growth momentum, there are high expectations that the total import and export turnover in 2024 will hit a new record of USDbn 800. This is especially promising in the context of Vietnam's year-end export activities, which still have room to grow due to high consumer demand as major markets enter the festive season.

Figure 22: Monthly balance of trade in 2022 – 2024

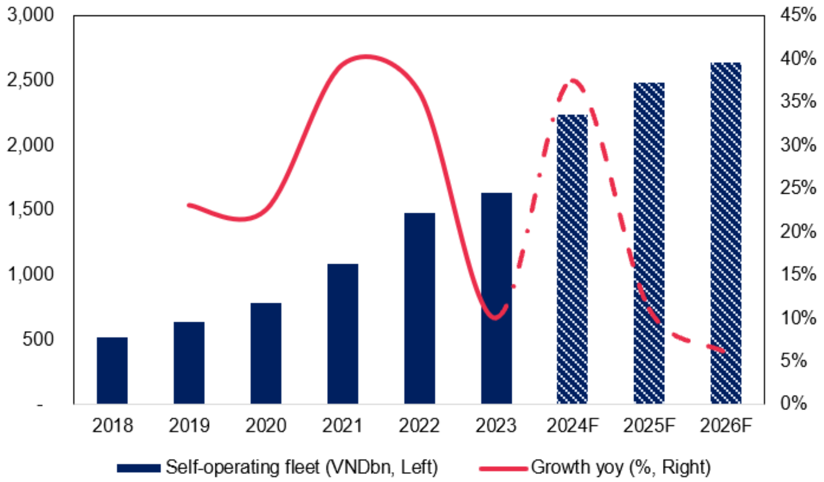


Source: GSO, MBS Research

Donald Trump's return to the White House with strengthened economic policies aimed at China is likely to prompt retailers to shift their production chains to other countries to avoid tariff barriers. With advantages such as low labor costs and a favorable geographic location, including a long coastline with numerous seaports conducive to maritime transport activities, Vietnam has become an ideal destination for businesses looking to diversify production and reduce reliance on China. Similar to 2019, when the global economy witnessed complex and multifaceted fluctuations due to the U.S.-China trade conflict, Vietnam still maintained a positive export growth rate during the year, achieving a total export turnover of USDbn 264.19, up 8.4% from 2018. Of this, exports to the U.S. market reached USDbn 61.35, up 29.1% from 2018, accounting for 23.2% of the country's total export turnover.

We expect Import-Export activities to continue their strong recovery in the final months of 2024, aligning with the trend of stock replenishment in major markets such as the U.S. This growth is projected to extend into 2025–2026 as manufacturers and retailers shift supply chains to Vietnam to reduce reliance on China. As a result, HAH's self-operated shipping volume is expected to improve by 35% YoY in 2024 and continue to grow by 10% and 5% YoY in 2025 and 2026, respectively. This will drive HAH's self-operated shipping revenue to recover strongly by 37.5% in 2024, reaching VNDbn 2,238.8, and further increase by 11.1% and 6.1%, reaching VNDbn 2,487.3 and VNDbn 2,637.8 in 2025 and 2026, respectively.

Figure 23: Revenue from self-operating fleet of HAH in 2018 – 2026F

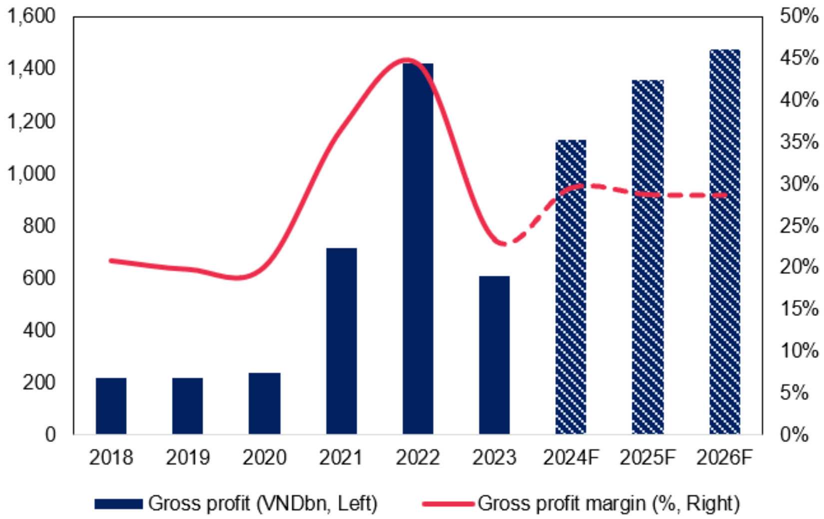


Source: HAH, MBS Research

As both Hai An Port and Depot Port primarily serve the company's shipping fleet, we project a 50% yoy increase in cargo throughput, with subsequent growth of 8% and 5% in 2025 and 2026. Furthermore, we anticipate a substantial uptick in import-export volumes, driving a 3% yoy increase in average service rates in 2024, followed by a more modest 1% increase in both 2025 and 2026. Consequently, we forecast a robust recovery in HAH's port operation revenue to VNDbn 307.9 in 2024, representing a 54.5% yoy increase, with further growth of 9.5% and 6.1% to VNDbn 337.2 and VNDbn 357.6 in 2025 and 2026, respectively.

In conclusion, we project HAH's revenue to grow by 46.1% to VND 3,817.5 billion in 2024, with further growth of 23.7% and 9.1% in 2025 and 2026, respectively. This is expected to drive gross profit to VND 1,095 billion (up 79.1% year-on-year) in 2024, followed by VND 1,300 billion (+18.7% year-on-year) and VND 1,421 billion (+9.3% year-on-year) in 2025 and 2026. We anticipate that the company's gross profit margin will expand by 5.3 percentage points to 28.7% in 2024, primarily due to the successful renegotiation of charter contracts at significantly higher rates and the decline in DO fuel prices. However, we forecast a slight moderation in the gross profit margin to 27.5% and 27.6% in 2025 and 2026, respectively, as charter rates ease and fuel prices recover.

Figure 24: Gross profit and Gross profit margin in 2018 – 2026F

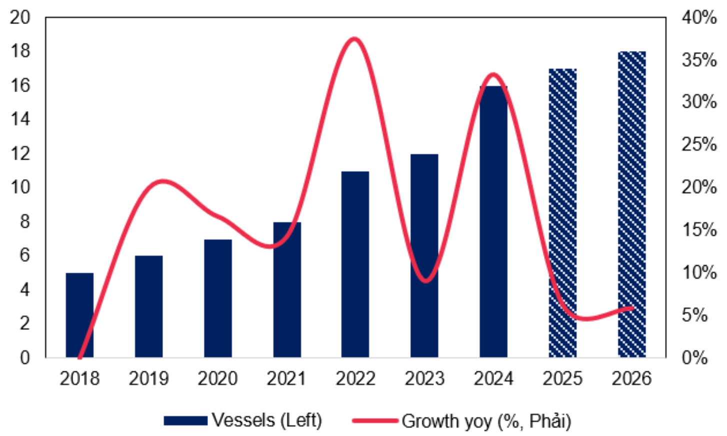


Source: HAH, MBS Research

The Debt-to-Equity ratio is projected to remain elevated due to the fleet expansion

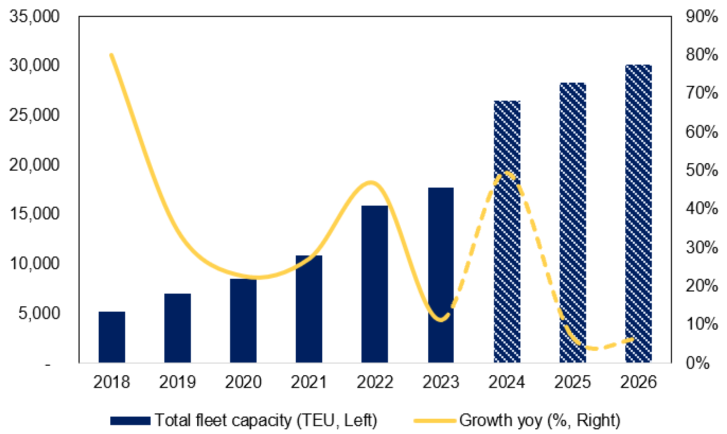
According to statistics from the Vietnam Seaports Association, the global maritime transport growth rate is currently 5–10% annually. It is forecasted that by 2030, approximately 12.8 million TEU of container goods will be transshipped through ports in the East Sea, driving strong growth in port and ship operation volumes in Vietnam. To meet the sharply increasing transportation demand in the future, port and shipping enterprises have been striving to expand their capacity and fleets in recent years. According to company disclosures, HAH plans to continue expanding its fleet and increasing capacity to meet rising transportation demand and exploit additional international maritime routes. We expect HAH to acquire one more ship in 2025 and another in 2026, raising the total number of ships in its fleet to 18 and increasing total capacity to approximately 30,100 TEU (up 13.6% YoY).

Figure 25: Number of vessels of HAH in 2014 – 2026F



Source: HAH, MBS Research

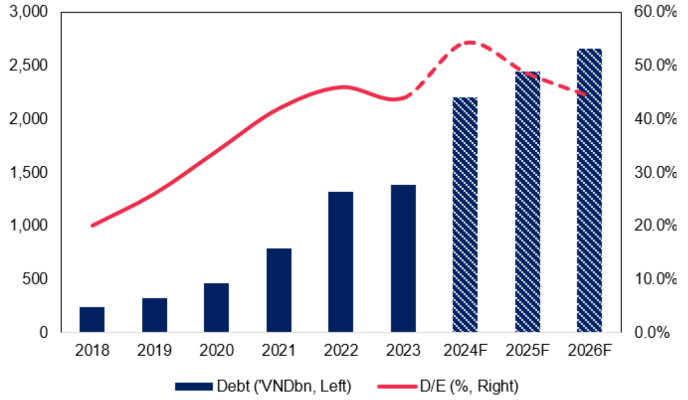
Figure 26: TEU of HAH in 2018 – 2026F



Source: HAH, MBS Research

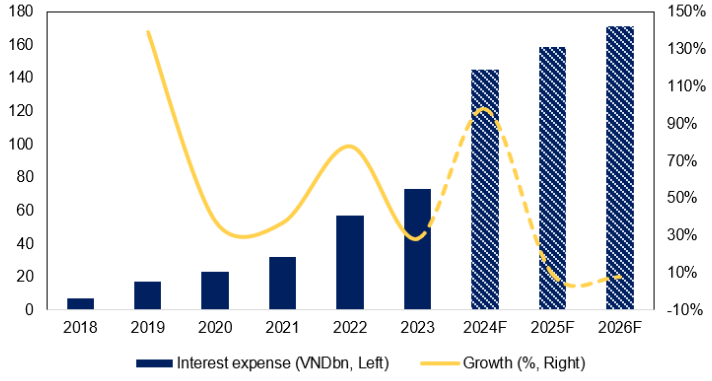
In 3Q24, HAH's total debt reached VNDbn 2,113 , an increase of 155% yoy, resulting in a 45% yoy increase in interest expenses and a debt-to-equity (D/E) ratio rising to 0.58, compared to 0.51 in 2Q24. To finance its fleet expansion plans, HAH plans to borrow 50% of the total vessel value. In November, HAH signed a Memorandum of Agreement (MOA) with Lamda Seatrading SA to purchase a vessel named TORO (later renamed HaiAn GAMA). For this vessel, HAH opted for the primary financing method through bank loans. Therefore, we expect HAH to take on additional long-term debt of VNDbn 312.5 in 2025-2026. With the continued expansion of its fleet, we anticipate that the company's leverage ratio will remain high in the coming period. We estimate HAH's total debt will reach VNDbn 2,344 in 2024, corresponding to a D/E ratio of 0.59, and will continue to rise to VNDbn 2,646 and VNDbn 2,903 in 2025 and 2026, respectively, with D/E ratios of 0.54 and 0.49. As a result, interest expenses are expected to increase to VNDbn 152 (up 106.5% YoY) in 2024 and further rise to VNDbn 168 (up 11.1% YoY) and VNDbn 183 (up 8.7% YoY) in 2025 and 2026, respectively.

Figure 27: HAH's Debt / Equity in 2018 – 2026F



Source: HAH, MBS Research

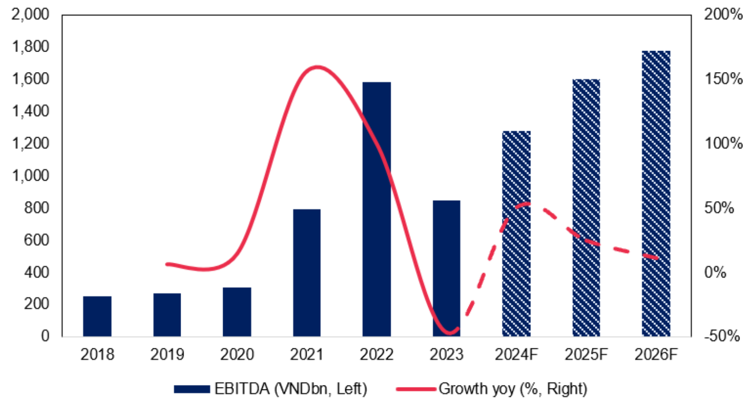
Figure 28: HAH's interest expenses in 2018 – 2026F



Source: HAH, MBS Research

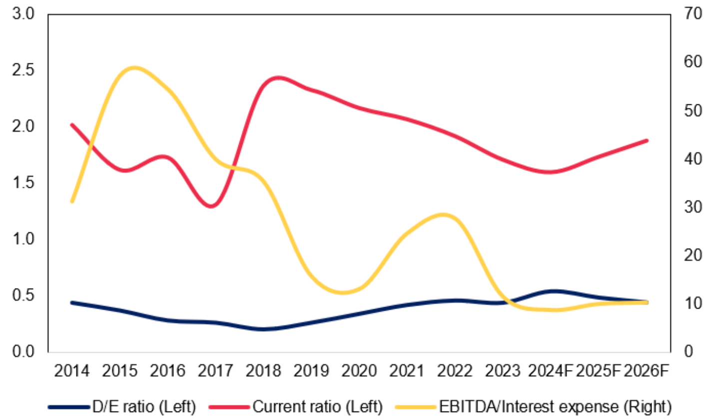
Nevertheless, the prospects for future business expansion will fuel a significant rebound in EBITDA, which is projected to reach VNDbn 1,280.6 in 2024, reflecting a 50.7% yoy increase, and further grow to VNDbn 1,602.8 and VNDbn 1,778.5, representing 25.2% and 10.7% yoy growth in 2025 and 2026, respectively. Consequently, we evaluate that HAH's interest coverage ratio will remain adequate, albeit with a slight decline to 8.5x in 2024 due to increased borrowings to fund the acquisition of four new vessels. However, this ratio is anticipated to improve to 9.5x and 9.7x in 2025 and 2026, respectively, as revenue continues to expand robustly.

Figure 29: HAH's EBITDA in 2018 – 2026F



Source: HAH, MBS Research

Figure 30: Financial health of HAH in 2014 -2026F



Source: HAH, MBS Research

2024 – 2026 bussiness performance forecast

VNDbn	2023	2024F	%svck	2025F	%svck	2026F	%svck	Comment
Revenue	**2,613**	**3,818**	**46.1%**	**4,724**	**23.7%**	**5,155**	**9.1%**	The company expanded its fleet by 4 new vessels in 2024, bringing the total fleet capacity to over 26,500 TEU, representing a 49.4% yoy increase. To meet the rising demand for shipping services and take advantage of favorable charter rates, we anticipate HAH will add one vessel in 2025 and another in 2026, thereby increasing fleet capacity to over 30,100 TEU, a 13.6% increase by the end of 2026.
Consist of								
- Operating port	199	308	54.5%	337	9.5%	358	6.1%	The robust growth in import and export activities, driven by the relocation of production chains out of China, is expected to sustain cargo throughput at the port from 2024 to 2026. Moreover, the increased volume of export goods handled at the port will contribute to higher average service rates, thereby bolstering revenue growth over the 2024-2026 period.
- Operating vessels	2,195	3,226	47.0%	4,074	26.3%	4,454	9.3%	
(+) Chartered revenue	567	987	74.1%	1,587	60.8%	1,816	14.4%	Charter rates are projected to remain elevated in 2025, with a 31.5% yoy increase, driven by new charter contracts secured by HAH at the end of 2024. This will sustain strong growth in charter revenue in 2025 before a slight moderation of 5% yoy in 2026. Nevertheless, given HAH's planned fleet expansion, we anticipate continued growth in charter revenue in 2026.
(+) Operating fleet	1,628	2,239	37.5%	2,487	11.1%	2,638	6.1%	Leveraging the trend of frontloading inventory and the relocation of production chains from China to Vietnam by US retailers and manufacturers, Vietnam's trade activities are projected to maintain a recovery trajectory in 2025-2026. This will facilitate a 35%, 10%, and 5% yoy increase in HAH's self-operated vessel capacity in 2024, 2025, and 2026 respectively, thereby sustaining the robust growth of HAH's operating vessel revenue.
- Others	219	284	30.0%	312	10.0%	344	10.0%	
Gross profit	**611**	**1,128**	**84.7%**	**1,358**	**20.3%**	**1,475**	**8.6%**	
- Operating port	148	228	54.0%	236	3.9%	247	4.4%	
- Operating vessels	435	821	89.0%	1,041	26.7%	1,136	9.2%	
- Other	29	79	176.4%	80	1.2%	91	13.6%	
Gross profit margin	**23.4%**	**29.6%**	**6.2%**	**28.7%**	**-0.8%**	**28.6%**	**-0.1%**	
- Port service	74.2%	73.9%	-0.2%	70.1%	-3.8%	69.0%	-1.1%	
- Transportation	19.8%	25.5%	5.7%	25.5%	0.1%	25.5%	0.0%	
- Other	13.2%	28.0%	14.8%	25.7%	-2.2%	26.6%	0.8%	
SG&A	**125**	**159**	**27.1%**	**197**	**23.7%**	**215**	**9.1%**	
% SG&A	4.8%	4.2%	-0.6%	4.2%	0.0%	4%	0.0%	
Financial income	**30**	**21**	**-31.5%**	**24**	**18.2%**	**26**	**7.3%**	
Financial expense	**84**	**169**	**102.1%**	**177**	**4.6%**	**193**	**9.2%**	The fleet expansion undertaken to meet growing shipping demand and take advantage of favorable charter rates has resulted in a substantial increase in the company's debt levels, thereby driving up financing costs. In 2025 and 2026, we expect HAH to continue its fleet expansion, which will further elevate financial expense.
Interest expense	73	145	97.7%	159	9.6%	171	7.8%	
Profit before tax	**450**	**848**	**88.4%**	**1,042**	**22.9%**	**1,129**	**8.4%**	
Profit after tax	**358**	**674**	**88.4%**	**828**	**22.9%**	**898**	**8.4%**	
Minority interest	(27)	68	-352.5%	84	22.9%	91	8.4%	
Net profit	**385**	**606**	**57.4%**	**744**	**22.9%**	**807**	**8.4%**	High charter rates have been the primary driver of sustained net profit growth. Additionally, the continued growth of Vietnam's import-export activities has supported the recovery of vessel and port utilization, thereby boosting profit growth for the period 2024-2026.
EPS (VND/share)	**3,172**	**4,992**	**57.4%**	**6,133**	**22.9%**	**6,649**	**8.4%**	

Source: MBS Research dự phóng

FINANCIAL STATEMENTS

Income statement	2023	2024F	2025F	2026F
Revenue	**2,613**	**3,818**	**4,724**	**5,155**
Cost of goods sold	2,002	2,689	3,366	3,680
Gross profit	611	1,128	1,358	1,475
SG&A expense	125	159	197	215
Operation profit	**486**	**969**	**1,160**	**1,260**
EBITDA	850	1,281	1,603	1,778
EBIT	**486**	**969**	**1,160**	**1,260**
Interest income	30	21	24	26
Financial expense	84	169	177	193
Other net income	3	6	7	7
P/L from affiliates	15	22	27	29
Pre-tax profit	**450**	**848**	**1,042**	**1,129**
Corporate income tax	92	174	213	231
Net profit after tax	**358**	**674**	**828**	**898**
Minority interest	(27)	68	84	91
Net profit	**385**	**606**	**744**	**807**
Dividend payment	90	142	175	189
Retained Earning	**295**	**464**	**570**	**617**

Cash flow statement	2023	2024F	2025F	2026F
Profit before tax	450	848	1,042	1,129
Depreciation and amortization	364	312	442	519
Interest expense	(145)	(159)	(171)	(182)
Other adjustment	(35)	151	122	133
Change in working capital	(98)	574	446	65
Cash flow from operation	**536**	**1,726**	**1,881**	**1,665**
Investment in PPE	(776)	(2,173)	(1,239)	(1,291)
Proceeds from sales of PPE	(866)	-	-	-
Cash flow from Investment	**21**	**(2,349)**	**(1,413)**	**(1,370)**
Share issuance & contributions from shareholders	69	-	-	-
Net cash from borrowing	(546)	679	262	363
Other cash flow from financing activities	23	-	-	-
Dividend, profit paid to shareholders	(90)	(142)	(175)	(189)
Cash flow from financing	**-**	**485**	**(250)**	**(334)**
Beginning cash & equipvalent	**415**	**245**	**108**	**326**
Net cash flow over the year	**(170)**	**(138)**	**218**	**(40)**
Ending cash & equipvalents	**245**	**108**	**326**	**286**

Balance sheet	2023	2024F	2025F	2026F
Cash and cash equipvalent	245	108	326	286
Short-term investments	73	106	131	242
Account Receivables	228	308	382	416
Inventory	97	130	154	166
Total Current assets	1,600	1,820	2,436	2,686
Fixed Assets	3,118	4,918	5,668	6,418
Construction in progess	30	44	55	60
Investment Real estate	-	-	-	-
Other long-term assets	342	382	425	474
Investment in subsidieries	155	217	263	285
Long-term receivables	113	165	204	223
Total long-term assets	3,759	5,725	6,615	7,460
Total Assets	**5,362**	**7,545**	**9,051**	**10,146**
Short-term debts	394	259	378	468
Account Payables	155	227	281	307
Other short-term liabilities	108	158	196	214
Total short-term liabilities	938	1,138	1,432	1,456
Long-term debts	993	1,950	2,070	2,190
Other long-term liabilites	258	104	129	141
Total long-term liabilities	1,253	2,342	2,587	2,697
Total liabilities	**2,191**	**3,479**	**4,019**	**4,153**
Share capital	1,055	1,055	1,055	1,055
Additional paid in capital	192	192	192	192
Treasury stock	**-**	**-**	**-**	**-**
Retained Earnings	295	464	570	617
Reserve funds	-	-	-	-
Shareholder's equity	3,171	4,066	5,032	5,993
Minority interest	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Total shareholder's equity and liabilities	**5,362**	**7,545**	**9,051**	**10,146**

Key ratio	2023	2024F	2025F	2026F
Net revenue growth	-18%	46%	24%	9%
EBITDA growth	-46%	51%	25%	11%
EBIT growth	-63%	100%	20%	9%
Pre-tax profit growth	-66%	88%	23%	8%
Net profit growth	-55%	57%	23%	8%
EPS growth	-55%	57%	23%	8%
Gross margin	23%	30%	29%	29%
EBITDA margin	33%	34%	34%	34%
Net profit margin	14%	18%	18%	17%
ROAE	11.3%	16.6%	16.5%	15.0%
ROAA	6.7%	8.9%	9.2%	8.9%
Asset turnover ratio	0.49	0.51	0.52	0.51
Dividend payout ratio	23.5%	23.5%	23.5%	23.5%
Total Debt to total Equity ratio	0.4	0.5	0.5	0.4
Net debt to Total Equitiy ratio	0.4	0.5	0.4	0.4
Net debt to total Assest ratio				
Interest coverage ratio	0.2	0.3	0.2	0.2
Days account receivable	0.2	0.1	0.1	0.1
Days Inventory	33	26	27	28
Days Account Payable	16	15	15	16
Current ratio	21	18	20	21
Quick ratio	1.7	1.6	1.7	1.8
Cash ratio	1.6	1.5	1.6	1.7
Net revenue growth	0.5	0.3	0.5	0.5

Valuation				
EPS (VND/share)	3,172	4,992	6,133	6,649
BVPS (VND/share)	26,130	33,505	41,473	49,388
P/E	17.9	11.4	9.3	8.5
P/B	2.2	1.7	1.4	1.2

Source: HAH, MBS forecast

DISCLAIMER

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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