



# **GMD Initiation report – NEUTRAL**

**May 8, 2024**

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## Hung Nguyen

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## Initiation report

### Recommendation

**Neutral**  
**HOSE: GMD**

### Seaport

**Target price (VND)** **84,860**

**Market price (VND)** **84,700**

Expected share price return 0.2%

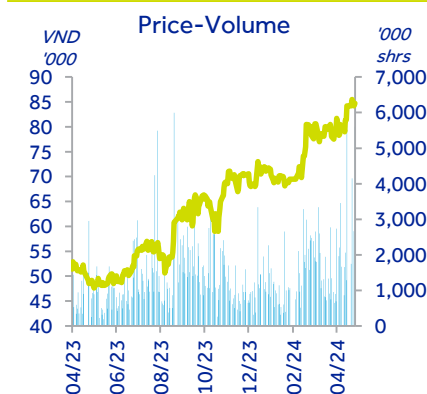
Expected dividend yield 1.2%

**Expected total return** **1.4%**

### Stock performance (%)

	YTD	1M	3M	12M
Absolute	18.1	9.3	21.9	64.8
Relative	10.5	9.4	17.7	48.0

Source: Bloomberg



### Ownership

VietFund Management Ltd.	7.5%
Korean Investment Management Co Ltd.	5.1%
KIM VN Growth EQ Fund	3.4%
Schroders PLC	2.6%
Tokio Marine Holding Inc	2.2%

### Stock Statistics 07-May-24

**Bloomberg code** **GMD**

52-week range (VND) 47,614-85,500

Shares O/S (m) 305.9

Mkt cap (VND bn) 25,910

Mkt cap (USD m) 1,018.1

Est. Foreign room left (%) 0.3

Est. free float (%) 77.4

3m avg daily vol (shrs) 1,898

VND/USD 25,450

Index: VNIndex / HNX 1,248.6 / 232.9

## GEMADEPT CORPORATION (HSX: GMD)- Restructuring operations for embracing trading recovery.

GEMADEPT Corporation (GMD VN), established in 1990, has continuously expanded investments across various sectors to create an integrated value chain including seaports, inland container depots (ICDs), airport cargo terminals, distribution centers, shipping, out-of-gauge cargo (OOG) transport, cold chain and automotive logistics spanning from the North to the South of Vietnam.

A significant shift in GMD's strategy occurred in 2018 when the company divested its logistics segment to focus more on port operations, which led to the operational improvement. As a result, the gross margin increased from 35.8% in 2019 to 46.2% in 2023, and financial status also improved, evidenced by lower leverage ratios and a cash-to-equity ratio of nearly 20%. Currently, GMD holds 17% and 21% of the container transport market share in the North and the South, respectively.

By the end of 2023, GMD was operating six seaports with a total container handling capacity of 3 million TEUs per year and bulk handling of 2 million tons per year, positioned at key points in Vietnam's international maritime routes (Hai Phong, Quang Ngai, Ho Chi Minh City, Ba Ria Vung Tau).

In the coming time, GMD plans to continue focusing and expanding its role in the port sector's value chain. Investments are directed towards the expansion of Nam Dinh Vu Port Phase 3 in Hai Phong and Gemalink Phase 2 in Cai Mep Thi Vai (Ba Ria Vung Tau), aiming to increase the total designed capacity by an additional 2.1 million TEUs per year, which represents a 60% increase over the current capacity.

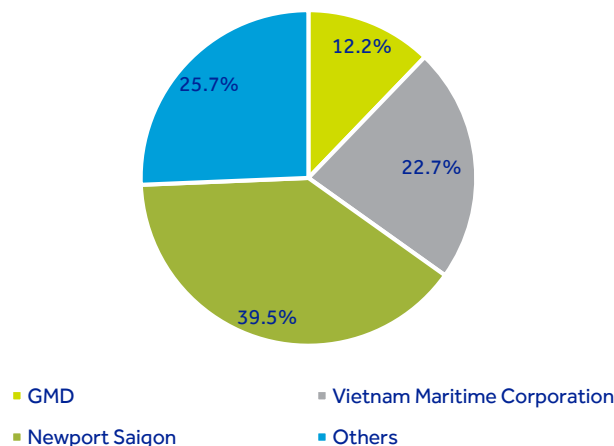
Additionally, the port sector, including GMD, will benefit from the implementation of the Circular 39/2023/TT-BGTVT effecting from February 15, 2024, which replaces Circular 54 and adjusts the floor pricing framework for port services in Vietnam.

### Rating and valuation

We recommend a NEUTRAL rating for GMD with a fair valuation of 84,860 VND per share using DCF method. This valuation is close to GMD's closing price on May 7, 2024, which was 84,700 VND per share, with a P/E ratio for 2024 of 18.8x and a P/B ratio of 17.4x.

	2022	2023	2024F	2025F	2026F
Net Sales (VND bn)	3,898	3,846	4,384	4,639	5,093
Growth (%)	22%	-1%	14%	6%	10%
EBITDA (VND bn)	1,832	3,674	2,375	2,257	2,587
Growth (%)	40%	100%	-35%	-5%	15%
Profit after tax	994	2,256	1,382	1,249	1,485
Growth (%)	62%	124%	-42%	-3%	19%
EPS (bonus-adjusted, VND)	3,249	7,354	4,517	4,083	4,856
Growth (%)	62%	124%	-42%	-3%	19%
ROE (%)	13%	25%	12%	11%	12%
ROA (%)	8%	17%	9%	8%	9%
Net debt/EBITDA (x)	1.1	0.5	0.8	0.7	0.5
EV/EBITDA (x)	14.0	7.0	11.4	11.4	10.0
P/E (x)	26.1	11.5	18.8	20.7	17.4
P/B (x)	3.2	2.7	2.4	2.1	1.9
DPS (VND)	1,200	1,200	1,000	1,000	1,000
Dividend yield (%)	3%	3%	3%	1%	1%

## Container marketshare by company in 2023



Source: ACBS

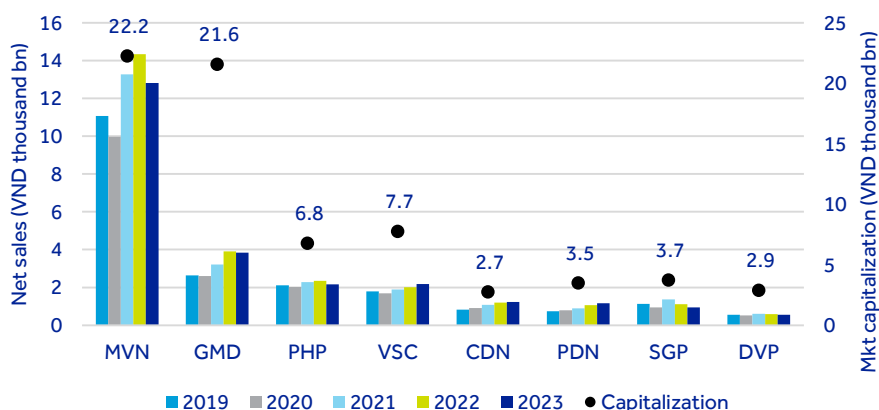
## I. Company overview

Established in 1990, GMD was one of the pioneering companies in Vietnam to provide container handling services, facilitating the flow of goods domestically and connecting Vietnam to global markets.

GMD offers a comprehensive range of logistics services including seaports, inland container depots (ICDs), airport cargo terminals, distribution centers, shipping, OOG transport, cold chain logistics, and automotive logistics, extending from North to South of Vietnam.

By 2023, GMD had grown into one of the largest logistics enterprises in Vietnam, with a market capitalization of VND 22,235 bn and net sales of VND 3,846 bn. The company accounted for 12.2% of the national market share in container handling, processing over 3 million TEUs.

### Net sales and Mkt capitalization of listed logistics companies

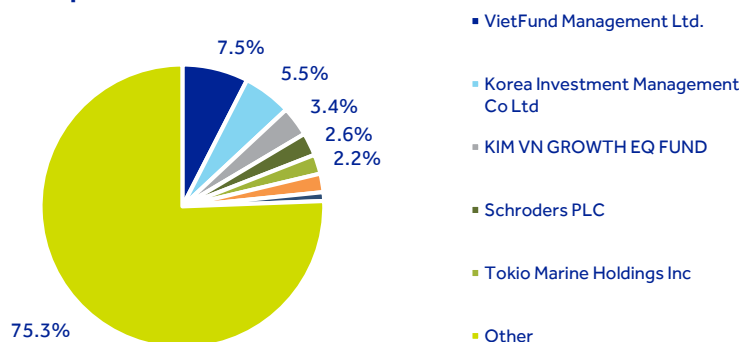


Source: ACBS

## II. Ownership & dividend policy

Regarding shareholder structure, GMD has a fragmented ownership, with the largest shareholder, VietFund Management Ltd, holding only 7.5% of the shares. Foreign investment funds hold between 2-5% of the shares. As of the end of 2023, domestic shareholders owned 51.5% of the shares, while foreign shareholders owned 49.5%.

### Ownership structure in 2023



Source: Bloomberg

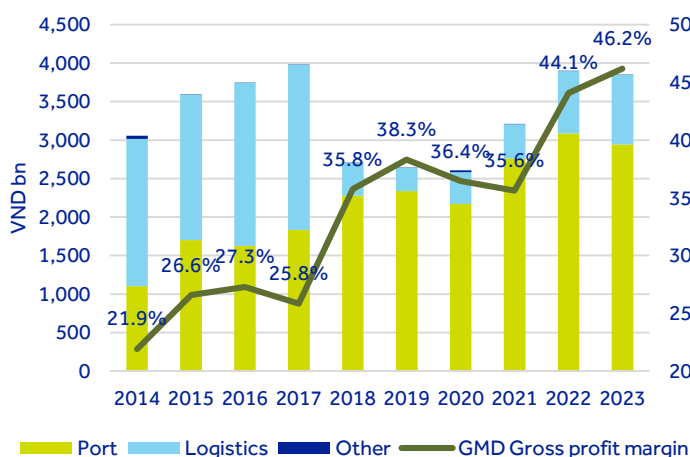
GMD has maintained a relatively stable dividend policy over the years, with a payout ratio of approximately 40-50% of after-tax profits. In 2023, GMD paid a dividend of 2,000 VND per share, corresponding to a payout ratio of 51.9% and a yield of 3.0%.

### III. Development stages

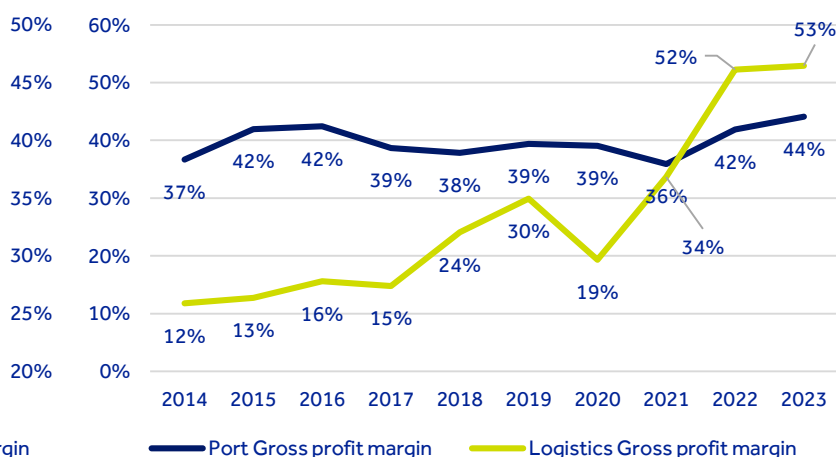
GMD operates primarily in two segments: port and logistics, besides strategic investments in real estate and rubber. However, the company has reallocated resources to focus more on port operations, aiming to deepen its engagement in this sector's value chain.

**Before 2018**, GMD initially concentrated on its core activities in logistics and port in the South. Then it expanded northward by establishing new ports such as Nam Hai, Nam Hai Dinh Vu, and Nam Dinh Vu in Hai Phong. During this period, logistics contributed over 50% of revenue but had a relatively low gross profit margin of 15.8% on average compared to 39.5% for port operations, resulting in an overall gross margin of only 27.5% for GMD. Therefore, GMD had to reduce its investment in the logistics segment.

Net sales by segment



Gross profit margin by segment



Source: GMD

**From 2019 to 2022**, GMD underwent restructuring, divesting from logistics to focus on expanding and enhancing its port operations. This shift reduced the revenue proportion of logistics from over 55% to under 20%. At the same time, the first phase of the deep-water Gemalink port in Cai Mep Thi Vai commenced operations in 2021 with a capacity of 1.5 million TEU per year.

**Since 2023**, GMD has continued to expand its investments in deep-water ports in key areas like Hai Phong and Ba Ria Vung Tau. The second phase of Nam Dinh Vu port started operations in May 2023 with a capacity of 600,000 TEU per year. Ports like Nam Hai (less advantageous location) and Nam Hai Dinh Vu (fully utilized) have been divested to focus resources on larger upcoming projects like the third phase of Nam Dinh Vu and the second phase of Gemalink.

This strategic focus on high-capacity deep-water ports aligns with the growing demand for maritime infrastructure that can accommodate larger vessels and increased global trade, thereby positioning GMD to capitalize on market trends and enhance its profitability in the maritime port sector.

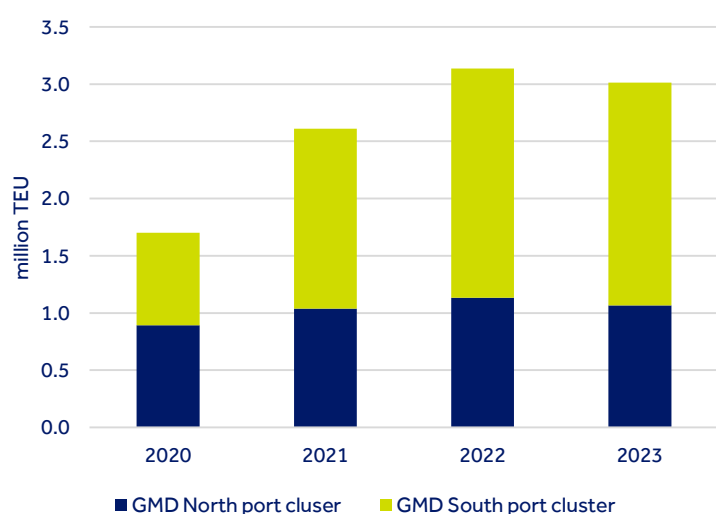
## IV. Business performance

### Port segment

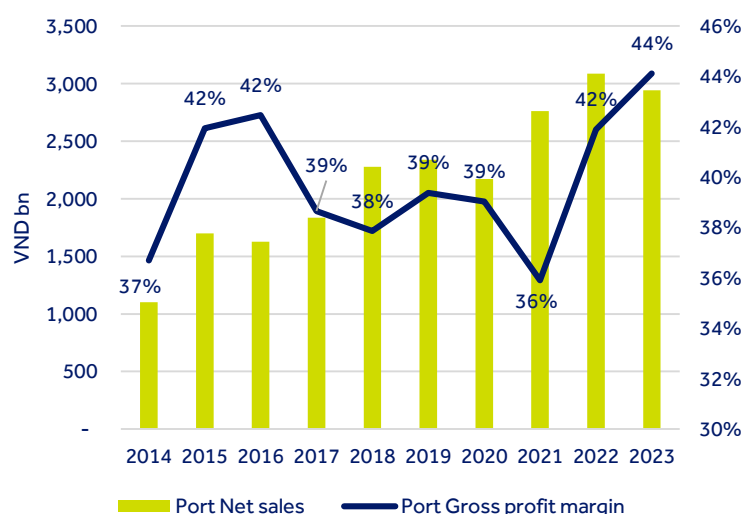
GMD currently operates a network of six ports, including three container ports, two inland container depots (ICDs), and one bulk cargo port. These facilities have a total designed capacity for container handling of 3 million TEUs per year and bulk cargo handling of 2 million tons per. These ports are strategically located across key regions from North to South Vietnam, enabling efficient connectivity and logistics solutions across the country, facilitating both domestic and international trade.

Port cluster	Name	Type	Operating year	Location	Design capacity	Maximum vessels size (DWT)
North	Nam Dinh Vu phase 1	Container port	2018	Hai Phong	500,000	48,000
	Nam Dinh Vu phase 2	Container port	2023	Hai Phong	600,000	48,000
	Nam Hai (*)	Container port	2009	Hai Phong	200,000	-
	Nam Hai ICD	Inland container depot (ICD)	2009	Hai Phong	-	-
	Nam Hai Dinh Vu (*)	Container port	2014	Hai Phong	500,000	-
Central	Gemadep - Dung Quat	Bulk port	2006	Quang Ngai	2,000,000 (tons/year)	70,000
South	Phuoc Long	ICD	1995	HCMC	500,000	-
	Binh Duong	Container port	2004	Binh Duong	200,000	30,000
	Gemalink phase 1	Container port	2021	Ba Ria Vung Tau	1,500,000	200,000
	(*) deinvested					

GMD container throughput



Port segment



Source: GMD

**GMD Northern port cluster** consists of Nam Dinh Vu Phase 1&2 and Nam Hai ICD, with a total design capacity of 1.2 million TEU/year (after the divestiture of Nam Hai Dinh Vu Port in May 2023 and Nam Hai in early April

2024). From 2016 to 2023, the compound annual growth rate (CAGR) of container throughput for this cluster was 5.2%, currently holding about 17% of the market share in the North. However, operations have been challenging since the inauguration of Bach Dang Bridge in 2018, which limits the movement of large vessels to the upstream area, causing a shift in operations downstream. Although bulk cargo operations commenced in March 2020, Nam Hai's throughput has not yet stabilized.

In 2023, the total operational capacity of the Northern port cluster remained unchanged due to the operational start of Nam Dinh Vu Phase 2 replacing the divestiture of Nam Hai Dinh Vu. However, consolidating resources to Nam Dinh Vu Phases 1&2 is expected to optimize costs and improve profit margins. Additionally, the commencement of Nam Dinh Vu Phase 3 in the latter half of 2024, expected to be operational by the end of 2025, will increase the total capacity in the North to 1.6 million TEU/year.

**GMD Southern port cluster** includes Phuoc Long, Binh Duong, and Gemalink ports with a total capacity of 2.3 million TEU/year, achieving a CAGR of 20.4% from 2016 to 2023, and holding 21% market share in the South. GMD's operations in the South have been more stable compared to the North, especially since the Phuoc Long - Binh Duong cluster has been operating above capacity since 2018, and Gemalink Phase 1 has benefited from strong growth in the Ba Ria-Vung Tau area. Since its operation, Gemalink has maintained an average usage of 60-70% of its design capacity, contributing about 1 million TEU annually and lifting almost double the container throughput in the South for GMD. Gemalink is expected to continue being a major growth driver for the Southern cluster, especially given its strategic location at the beginning of the stream and infrastructure that supports large vessels.

Following the development of diversified locations, GMD has undertaken significant restructuring over the past 2-3 years by focusing on ports with strategic locations and high handling capacities. Notably, investments were made in two projects: Nam Dinh Vu and Gemalink, with maximum capacities post-expansion of 2 million TEU/year and 3 million TEU/year, respectively, positioned at prime river-mouth locations near the sea at Cam River (Hai Phong) and Cai Mep Thi Vai (Ba Ria Vung Tau). These locations provide GMD with a competitive advantage over other players. Specifically, in Hai Phong, port operations are quite fragmented, while Nam Dinh Vu 1, 2&3 is designed to be more concentrated with a larger capacity. Regarding Cai Mep Thi Vai, Gemalink has the largest capacity of 3 million TEU/year after achieving its expansion.

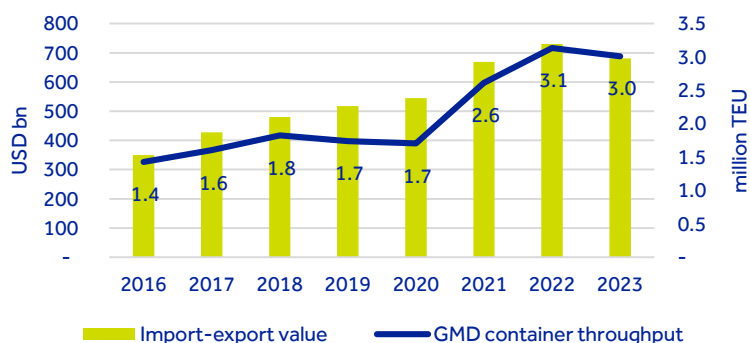
In 2023, the revenue from the port segment was VND 2,942 bn (-4.7% YoY), accounting for 76.5% of the total revenue with a CAGR of 5.9% from 2019-2023. The gross profit was recorded at VND 1,298 bn (+0.4% YoY), and the gross margin reached 44.1%, an increase of 2.2% from 2022.

**The main growth drivers for port operations include:** (1) the growth of import and export activities driven by trade agreements such as EVFTA, UKVFTA, and RCEP, and (2) international market activities.

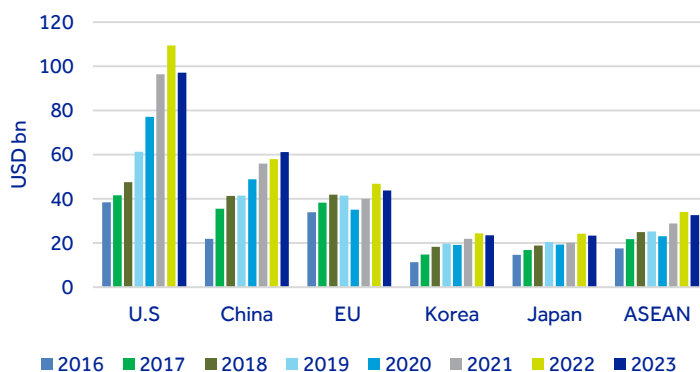
Specifically, besides serving Asia routes, the Southern port cluster plays as a hub for long-haul routes connecting to the EU and North America, where export value growth to North America reaching 14.1% from 2016-2023, hence significantly boosting GMD's container throughput growth by 64.2% since its operations commenced.



**Relationship between import-export value and GMD container throughput**

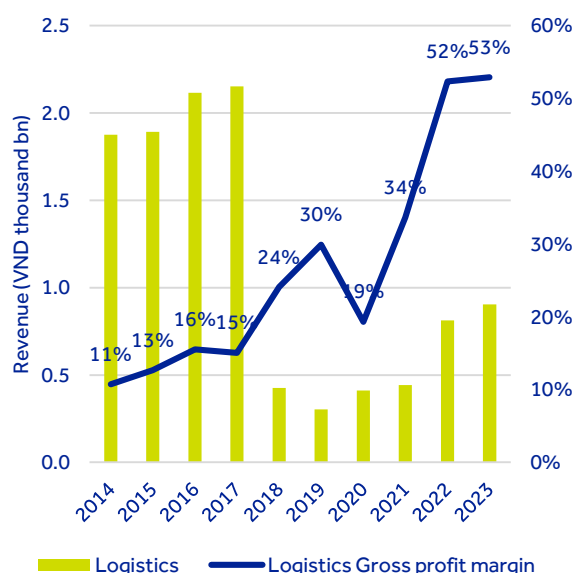


**Export value to region**



Source: GSO

**Logistics segment**



Source: GMD

## Logistics segment

GMD is providing comprehensive supply chain services in two main activities: logistics (including airport cargo ports, distribution centers, cold chain logistics, and automotive) and international and domestic container transportation (including transportation of OOG cargo).

From 2014 to 2017, although logistics revenue accounted for over 55% of GMD's total revenue, gross profit margin was relatively low, averaging about 14%. As a result, GMD divested its logistics sector to South Korea's CJ Logistics Corporation to focus more on port operations in 2018. This divestiture led to a significant decrease in consolidated revenue from the logistics sector, from VND 2.146 bn in 2017 to VND 426 bn in 2018, marking an 80.1% year-over-year decline, as subsidiary companies in this sector were reclassified as associated companies.

However, the recovery in goods demand and river transport tariffs post-COVID-19 pandemic helped the logistics sector of GMD to grow again. Specifically, revenue increased by 83% and the gross profit margin reached 52.3% in 2022 and kept rising by 11% reaching 52.9% in 2023.

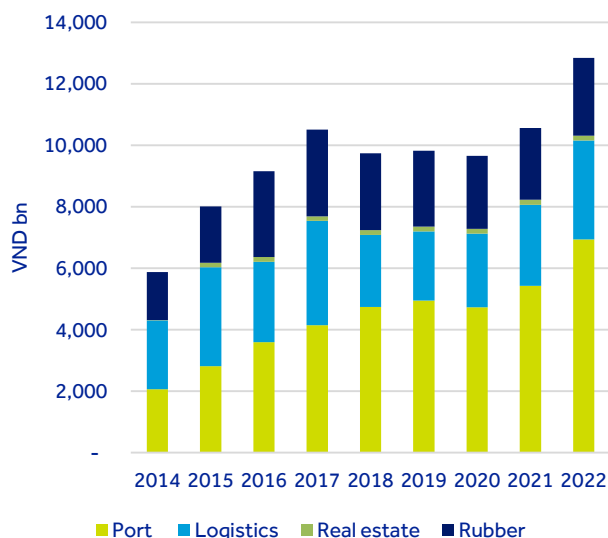
Additionally, GMD owns 36.1% of Saigon Cargo Service Corporation (SCS), which operates in air freight services at Tan Son Nhat Airport, covering an storage area of 143,000 m<sup>2</sup>. Despite recent impacts from the pandemic and a decline in cargo demand, SCS still contributed steadily to GMD's profits as earnings from an associate company.

## Real estate & rubber segment

Since 2012, GMD has invested in the rubber industry with an allocated area of 30,000 hectares in Cambodia. As of now, this sector represents assets valued at VND 2.484 bn, accounting for 17.8% of GMD's total asset value. However, from the time of investment until the end of 2023, rubber segment has not contributed to GMD's profits, and the company continues to incur operating costs for this sector, impacting its overall profitability.

Regarding real estate sector, GMD undertakes two main projects: 1) The Saigon Gem complex, which includes a commercial center and office

Assets value by segment



Source: GMD

space covering a total area of 3,640 m<sup>2</sup>, located in District 1, Ho Chi Minh City. The project is currently completing legal procedures for construction. 2) A five-star hotel project in Vientiane, Laos, consisting of 7 floors with 231 rooms over a land area of 6,715 m<sup>2</sup> and a floor area of 21,329 m<sup>2</sup>.

GMD is currently seeking partners to divest from the rubber and real estate sectors at reasonable prices, aiming to focus resources on its core port operations sector.

## V. Financial status

By the end of 2023, GMD recorded a slight decrease in net revenue to VND 3,846 bn (-1.3% YoY), achieving 98.1% of its planned target. However, a significant financial revenue from the divestiture of Nam Hai Dinh Vu port in Q2/2023 boosted profit before tax dramatically to VND 3,144 bn (+140.3% YoY), completing 276.7% of the annual plan. Excluding this financial revenue, profit before tax would have decreased by 0.4% but still reached 114.8% of the set plan.

Despite the global economic recovery being slow and uneven among major economies, GMD's results are considered relatively positive. The company has seen improvements in profitability, asset quality, and liquidity since focusing on restructuring its port operations. Efficiency metrics such as gross margin, EBIT margin, and net profit margin have shown marked improvements since the restructuring began in 2018 and further since 2021 when Nam Dinh Vu port became fully operational.

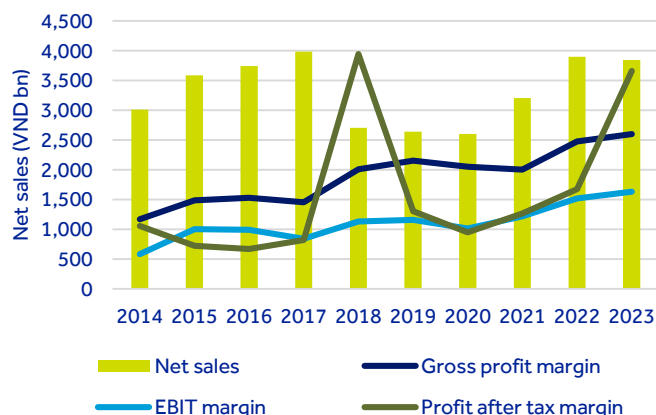
	2021	2022	2023
Net sales (VND bn)	3,206	3,898	3,846
Growth (%)	23.1%	21.6%	-1.3%
Gross profit (VND bn)	1,142	1,718	1,776
Gross profit margin (%)	35.6%	44.1%	46.2%
EBIT	926	1,439	3,279
EBITDA	1,305	1,832	3,674
Profit before tax (VND bn)	806	1,308	3,144
Growth (%)	57.3%	62.3%	140.3%
Profit after tax (VND bn)	612	994	2,222
Growth (%)	65.0%	62.3%	123.5%
Profit after tax margin (%)	19.1%	25.5%	57.8%

Financial indicators like liquidity ratio and leverage ratio have also improved, helping GMD to manage cash flows more effectively and reduce the cost burden of debt. The Revenue-to-Assets ratio has stabilized and maintained above 50% since 2018, and both ROE and ROA have improved since then.

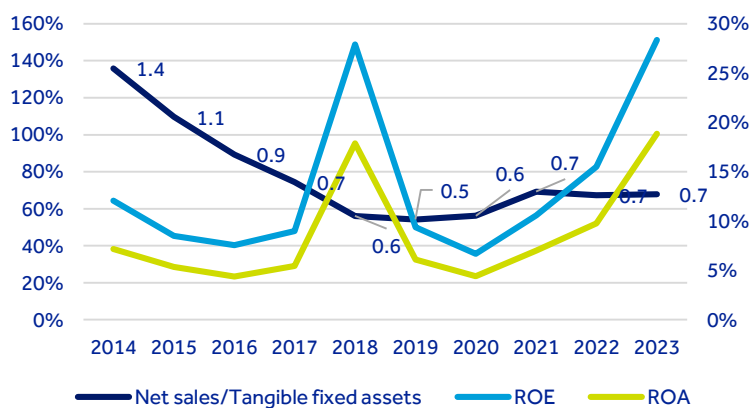
These achievements reflect the positive outcomes of the restructuring of the port operations segment initiated from 2018, providing a solid foundation for GMD to expand its deep-water port operations and delve deeper into port value chain.



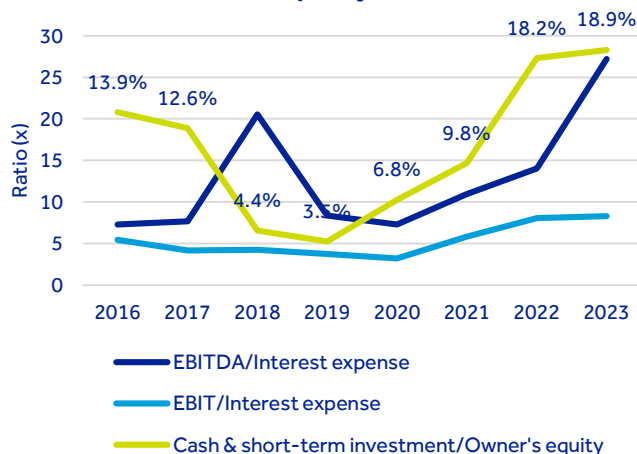
## Operating ratios



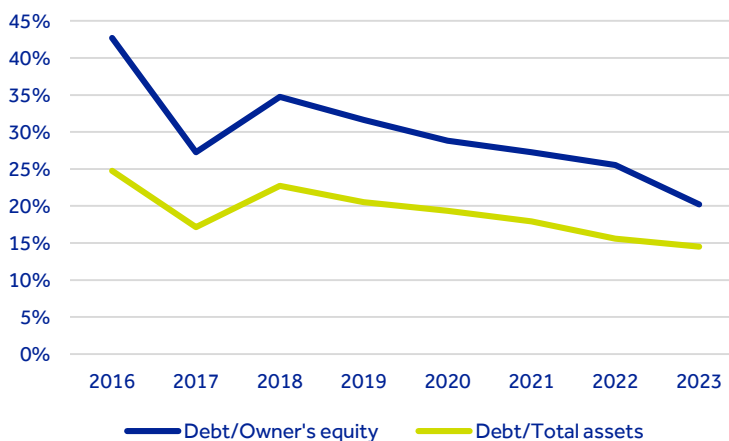
## Profitability ratios



## Liquidity ratios



## Leverage ratios



Source: GMD

## VI. Growth outlook

The overall growth trajectory of GMD largely depends on its port operations sector, which has accounted for over 80% of the company's total revenue since 2018. Therefore, GMD's growth prospects in the short to medium term are influenced by three primary factors: 1) an increase in port service floor fees starting from February 15, 2024, which is expected to enhance the profitability of port activities; 2) the anticipated recovery of cargo throughput at maritime ports, driven by the general rebound in import and export activities; 3) the potential increase in port handling capacity through investments in two new projects: the third phase of Nam Dinh Vu port in Hai Phong with a capacity of 600,000 TEU per year, and the Gemalink port in Ba Ria - Vung Tau with a capacity of 1.5 million TEU per year.

### 1. Circular 39/2023/TT-BGTVT effective from February 15, 2024, lifting service charges.

Circular 39/2023/TT-BGTVT, effective from February 15, 2024, replaces Circular 54 and revises the fee structure for services at Vietnamese ports, including pilotage, use of docks, mooring buoys, container loading/unloading, and tug assistance. This new regulation increases the floor rates for loading and unloading services by about 10% in the northern and southern regions. Specifically, for deep-water ports, fees for transshipment and transit container services will see a substantial increase of about 40%, aligning with the fees for imported and exported containers.

This adjustment is expected to positively impact the business outcomes of GMD's port cluster, particularly the deep-water Gemalink port in Cai Mep – Thi Vai in the South. The revised cost framework will support these ports in optimizing operations for large vessel handling and encourage further investment in capacity expansion.

The implementation of this new circular at the beginning of 2024 is seen as a timely measure to aid in the recovery of the logistics sector and specifically GMD, following a challenging 2023 due to reduced demand from major global markets and geopolitical conflicts.

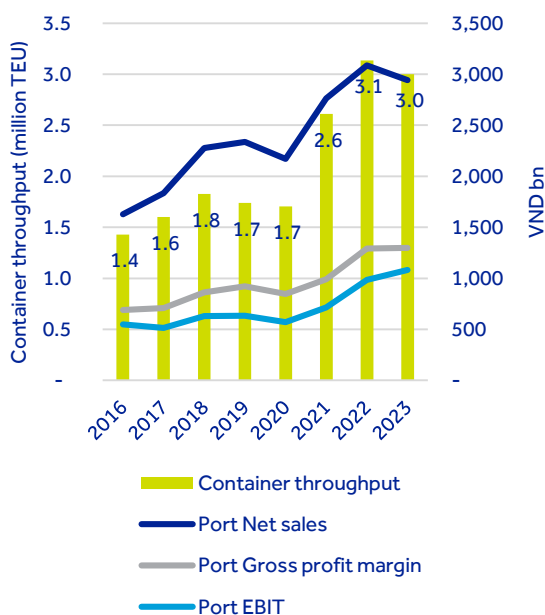
## 2. Prospects for Recovery in Cargo Throughput

The business results such as revenue, gross profit, and EBIT, are relatively high correlated with container throughput. It is anticipated that the recovery of national cargo throughput in the second half of 2023 will continue into 2024, underpinned by an increase in handling fees starting in February 2024. This recovery is expected to stabilize GMD's business results.

After a slowdown in throughput growth in the first half of 2023, trade activity improved significantly in the last six months of the year, leading to a recovery in cargo volumes to 756.8 million tons (+3.3% YoY), including container volumes of 24.7 million TEU (+0.4% YoY). In the first three months of 2024, cumulative cargo volume also recorded an 8.5% year-over-year increase, reaching 111.6 million tons, with an impressive 55.2% increase in January alone.

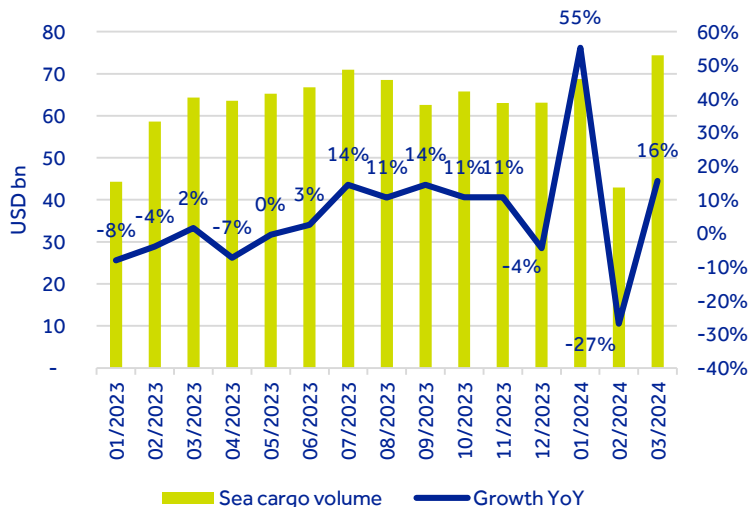
Additionally, the Cai Mep-Thi Vai port cluster has been receiving a portion of the cargo shifted from Ho Chi Minh City as part of Vietnam's overall port development plan. Ports along the Saigon River are gradually being relocated or converted, while the Cai Mep-Thi Vai area is being developed into a deep-water port suitable for receiving large vessels over 80,000 DWT, aiming to become an international transshipment hub.

Relationship between container throughput and GMD income statement

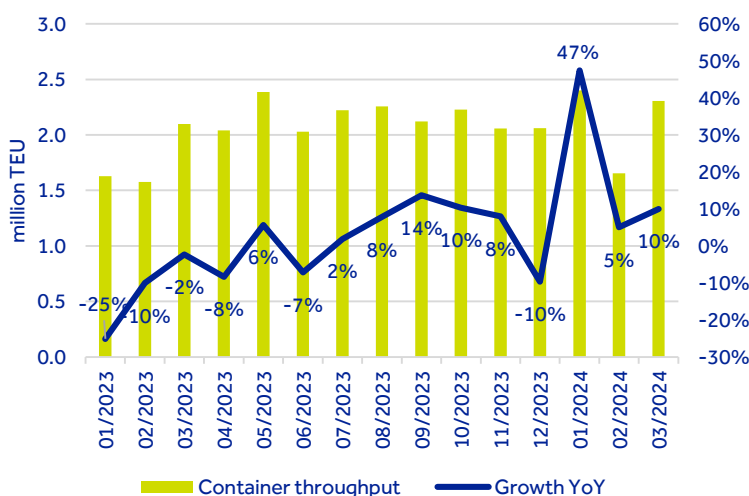


Source: GMD

Sea cargo volume throughput by month



Container throughput by month



Source: Vinamarine, VPA

### 3. New project plans

Based on the increase in handling fees starting from February 2024 and the prospects for recovery in import and export activities, GMD's growth potential will be boosted by two new projects. These projects will increase the total handling capacity by an additional 2.1 million TEU per year, which represents a 60% increase compared to the current capacity.

Project plan	Kick off time	Operating date	Investment capital	Design capacity	Projections
Nam Dinh Vu phase 3	2H.2024	2H.2025	1,700 VND bn	600,000 TEU/year	Contributions to GMD's consolidated revenue will begin from early 2026, with the potential to increase exploitation by about 30% compared to the current designed capacity.
Gemalink phase 2	1H.2025	2026-2027	7,300 VND bn	1,500,000 TEU/year	Contributions to GMD in the form of profits from joint ventures and associated companies. Specifically, Gemalink Phase 2 will include two stages, 2A and 2B, which will respectively become operational in 2026 and 2027.

## VII. Projection and valuation

In 2024, we anticipate GMD will achieve revenue of VND 4,384 bn (+14% YoY). However, pre-tax profit is expected to decrease by 43.8% to VND 1,767 bn, due to a financial income of VND 1,840 bn in 2023 from the sale of port. Excluding this sale, core operational pre-tax profit for 2024 is forecasted to be VND 1,426 bn (+9.4%) YoY.

The estimations are based on following key assumptions:

**Port segment:** revenue is expected to reach VND 3,316 bn (+12.7% YoY), with container throughput achieving 2.2 million TEU (+5.6% YoY). Nam Dinh Vu 2 will take over containers transferred from Nam Hai Dinh Vu and is expected to run at full capacity by the end of 2024.

**Logistics segment:** revenue is anticipated to be VND 994 bn (+10% YoY), with a maintained gross margin of 52%. This positive trend continues from 2022 for inland waterway transportation in the South.

**Earnings from Subsidiaries and Associates:** projected at VND 367 bn (+35.3% YoY), mainly driven by Gemalink and SCS. Specifically, Gemalink is expected to handle 1.1 million TEU in 2024 (up 25% year-over-year), contributing approximately VND 100 bn in profits to GMD. Meanwhile, SCS will contribute an additional VND 30 bn (+36% YoY) due to a new partnership with Qatar Airways, which is expected to increase cargo volume by 20% compared to 2023.

**Financial income:** following the divestment from Nam Hai announced on April 17, 2023, GMD recognized a financial income of VND 336 bn from the sale.

The medium-term outlook for GMD involves the construction of two new ports at the end of 2024, with operations expecting to be started in early 2026. We recommend a buy with a fair valuation of 84,860 VND per share based on the DCF method, supported by the underlying valuation details as follow:

	2022	2023	2024F	2025F	2026F
Net sales (VND bn)	3,898	3,846	4,384	4,639	5,093
<i>Growth (%)</i>	22%	-1%	14%	6%	10%
Gross profit	1,718	1,776	2,003	2,120	2,328
<i>Gross profit margin (%)</i>	44%	46%	46%	46%	46%
EBIT	1,439	3,279	1,923	1,736	2,023
EBITDA	1,832	3,674	2,375	2,257	2,587
Profit before tax	1,308	3,144	1,767	1,597	1,899
<i>Growth (%)</i>	62%	118%	-44%	-10%	19%
Profit after tax	1,308	1,304	1,426	1,587	1,889
<i>Growth (%)</i>	62%	-0.4%	9%	11%	19%
Profit after tax margin	25%	58%	32%	27%	29%

(Unit: VND bn)	2022	2023	2024F	2025F	2026F
EBIT	1,439	3,279	1,923	1,736	2,023
Minus: Tax	(162)	(640)	(288)	(260)	(303)
EBIAT	1,277	2,639	1,635	1,476	1,719
Plus: Depreciation & Amortization	393	395	452	521	564
Minus: CAPEX	(1,361)	(1,153)	(1,033)	(1,043)	(263)
Minus: Working Capital	1,108	(1,390)	156	47	74
<b>FCFF</b>	1,417	490	1,210	1,001	2,095

Risk free	2.9%
Risk premium	9.0%
Beta	1.02
Cost of capital	12.1%
Equity weight	83.2%
Debt weight	16.8%
<b>WACC</b>	11.0%

Present value of stage 1 cash flows	7,232
Present value of terminal value	16,116
Enterprise value (EV)	23,348
Less: Debt	(1,738)
Plus: Cash & short term investment	1,646
Equity value	25,960
Share outstanding	305,898,800
<b>Equity value per share (VND/share)</b>	<b>84,860</b>

GMD FINANCIAL MODEL	Price (VND):	84,700	Target (VND):	84,860	Mkt cap (VND bn): 25,910	
(VND bn except where stated)	2022	2023	2024F	2025F	2026F	
<b>Net sales</b>	<b>3,898</b>	<b>3,846</b>	<b>4,384</b>	<b>4,639</b>	<b>5,093</b>	
<i>Sales growth</i>	22%	-1%	14%	6%	10%	
Port segment	3,086	2,942	3,316	3,454	3,766	
Logistics & other segment	812	905	995	1,094	1,204	
<b>Gross profit</b>	<b>1,718</b>	<b>1,776</b>	<b>2,003</b>	<b>2,120</b>	<b>2,328</b>	
<i>Gross profit margin</i>	44%	46%	46%	46%	46%	
Selling expenses	142	115	184	195	214	
General & administration expenses	524	545	658	696	764	
<b>Net operating profit</b>	<b>1,051</b>	<b>1,116</b>	<b>1,161</b>	<b>1,230</b>	<b>1,351</b>	
<i>Operating profit margin</i>	27%	29%	26%	27%	27%	
Financial income	24	1,941	392	35	45	
Financial expenses	166	169	164	146	130	
Other income	(0)	(16)	11	11	12	
Profit/(loss) in associates, joint venture	399	272	368	467	621	
<b>Profit before tax</b>	<b>1,308</b>	<b>3,144</b>	<b>1,767</b>	<b>1,597</b>	<b>1,899</b>	
<b>Profit after tax</b>	<b>1,161</b>	<b>2,530</b>	<b>1,502</b>	<b>1,358</b>	<b>1,614</b>	
Non-controlling interest	167	280	120	109	129	
<b>NPAT-MI</b>	<b>994</b>	<b>2,256</b>	<b>1,382</b>	<b>1,249</b>	<b>1,485</b>	
<i>Net profit margin</i>	25%	58%	32%	27%	29%	
Cash, cash equivalents & short-term investments	1,447	1,830	1,646	1,283	2,921	
Share outstanding (mn)	301.4	305.9	305.9	305.9	305.9	
EPS (VND)	3,298	7,354	4,517	4,083	4,856	
<b>Adjusted EPS (VND)</b>	<b>3,249</b>	<b>7,354</b>	<b>4,517</b>	<b>4,083</b>	<b>4,856</b>	
<i>EPS growth</i>	62%	126%	-39%	-10%	19%	

KEY CASHFLOW AND BS ITEMS	2022	2023	2024F	2025F	2026F
Increase in working capital	1,107,530	(1,390,480)	156,221	47,466	73,994
Capex	(1,361)	(1,153)	(1,033)	(1,043)	(263)
Other cashflow items	393	394	442	511	435
<b>Free cash flows</b>	<b>1,417</b>	<b>490</b>	<b>1,210</b>	<b>1,001</b>	<b>2,095</b>
Dividends paid	(428)	(780)	(306)	(306)	(306)
Increase in net debt	484	(930)	85	(10)	62
<b>Net debt, end of year</b>	<b>2,309</b>	<b>1,379</b>	<b>1,463</b>	<b>1,453</b>	<b>1,515</b>
<b>Shareholder's equity</b>	<b>7,948</b>	<b>9,707</b>	<b>10,977</b>	<b>12,097</b>	<b>13,486</b>
BVPS (VND)	26,371	31,731	35,886	39,545	44,087
Net debt / Equity	29%	14%	13%	12%	11%
Net debt / EBITDA	0.7	0.4	0.5	0.4	0.4
<b>Total assets</b>	<b>13,031</b>	<b>13,542</b>	<b>14,931</b>	<b>15,998</b>	<b>17,482</b>

KEY RETURN AND VALUATION RATIOS	2022	2023	2024F	2025F	2026F
ROE	13.3%	25.2%	12.5%	10.9%	11.7%
ROA	8.4%	16.7%	9.0%	8.1%	8.9%
ROIC	13.5%	24.1%	11.1%	11.2%	15.0%
WACC	10.3%	10.3%	10.3%	10.3%	10.3%
EVA	(61)	1,247	101	(168)	(77)
P/E (x)	26.1	11.5	18.8	20.7	17.4
EV/EBITDA (x)	17.9	12.7	6.4	9.8	10.3
EV/FCF (x)	18.8	8.4	14.2	19.3	23.3
P/B (x)	3.2	2.7	2.4	2.1	1.9
P/S (x)	6.6	6.7	5.9	5.6	5.1
EV/sales (x)	7.3	6.0	6.1	5.3	5.0
Dividend yield	3.0%	3.0%	1.2%	1.2%	1.2%

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**BUY:** Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

**OUTPERFORM:** Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months

**NEUTRAL:** Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months

**UNDERPERFORM:** Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months

**SELL:** Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

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