



GMD Flash note – NEUTRAL

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AGM Flash note

Recommendation

Neutral
HOSE: GMD

Seaport

Target price (VND)

84,900

Market price (VND)

83,000

Expected share price return

2.3%

Expected dividend yield

1.2%

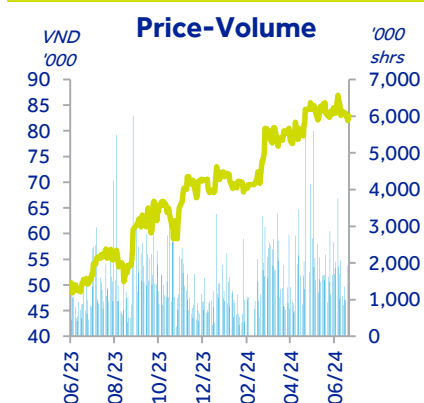
Expected total return

3.5%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	17.7	-0.6	6.3	64.6
Relative	6.5	-0.2	7.2	50.1

Source: Bloomberg



Ownership

VietFund Management Ltd.	6.3%
Korean Investment Management Co Ltd.	5.4%
KIM VN Growth EQ Fund	3.4%
Schroders PLC	3.0%
Tokio Marine Holding Inc	2.2%

Stock Statistics 25-Jun-2024

Bloomberg code	GMD
52-week range (VND)	48,500-86,900
Shares O/S (m)	305.9
Mkt cap (VND bn)	25,390
Mkt cap (USD m)	999.6
Est. Foreign room left (%)	0.3
Est. free float (%)	77.4
3m avg daily vol (shrs)	1,803
VND/USD	25,400
Index: VNIndex / HNX	1,256.6/240.2

GEMADEPT CORPORATION (HSX: GMD)

The AGM 2024 of Gemadept Corporation (GMD) took place on June 25, 2024, covering the following key topics:

2024 Business plan for core operations: Net sales are expected to reach VND 4,000 bn, and profit before-tax is projected to be VND 1,350 bn, increasing by 4% and 3.2%, respectively, compared to 2023 results. Including divestments, 2024 profit before-tax is expected to reach VND 1,686 bn, a decrease of 46.4% YoY, as the divestment of Nam Hai port only brought in VND 336 bn, significantly lower than the profit before-tax of VND 1,840 bn from the divestment of Nam Hai Dinh Vu port in 2023.

First Half of 2024: Preliminary core business net sales achieved 53% of the 2024 business plan, approximately VND 2,120 bn (+17% YoY), excluding profits from subsidiaries and affiliates (mainly from Gemalink and SCS).

2023 Profit Distribution: GMD announced a cash dividend payout ratio of 22%, equivalent to VND 2,200 per share. Additionally, 5% of profit after tax was allocated to the welfare and reward fund, and 1% to the management board fund. The profit allocation is purely from core operations, excluding income from divestment activities.

Share Issuance Plan: Approval of a plan to issue additional shares to existing shareholders at a ratio of 3:1 with an offering price of VND 29,000 per share. The book value of GMD as of December 31, 2023, was VND 28,050 per share. The new issuance of shares will not be restricted from trading, except in cases where odd lots or unsold shares transferred to existing shareholders or external investors will be restricted from trading for one year.

Update on Key Projects:

Nam Dinh Vu Port Phase 3 (capacity of 600,000 TEU/year): Legal documents and construction permits have been completed. Financing is being arranged to commence construction in July 2024, with expected operation by the end of 2025. This will increase the total capacity of Nam Dinh Vu Port of all three phases to nearly 2 million TEU/year.

Gemalink Port Phase 2A (capacity of 700,000 TEU/year): Currently in the process of handling legal documents, construction permits, and arranging financing. Construction is expected to start in Q2/2025.

Conclusion: We maintain our projections for 2024F-2026F and a target price of VND 84,900 per share, with a **Neutral** rating.

	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%

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Our Recommendation System

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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