



HHV Update - BUY

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Company Update

Recommendation

BUY

HSX: HHV

Construction

Target price (VND)	18,200
Market price (VND)	14,750
Expected share price return	23.4%
Expected dividend yield	0%
Expected total return	23.4%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	42.0	20.1	24.9	34.1
Relative	11.3	8.4	0.0	-1.6

Source: Bloomberg



Ownership

B.O.T Hai Thach Investment	16.09%
JSC	

Stock Statistics 15-Aug-25

Bloomberg code	HHV VN
52-week range (VND)	9,257 - 15,750
Shares O/S (m)	497
Mkt cap (VND bn)	7,835
Mkt cap (USD m)	307
Est. Foreign room left (%)	38.5
Est. free float (%)	84.8
3m avg daily vol (shrs)	13,044,070
VND/USD	26,450
Index: VNIndex / HNX	1638.98/283.62

DEO CA TRAFFIC INFRASTRUCTURE INVESTMENT JSC (HHV VN)

In 1H2025, HHV recorded revenue of VND1,682 bn (+11.9% YoY) and NPAT of VND324 bn (+40.7% YoY), fulfilling 46% and 58% of targets and achieving 44% and 57% of ACBS's forecasts, respectively. We revise our 2025 net profit forecast upward by 14% to VND491 bn, driven by improved profit margins. Accordingly, we raise our FY2025 target price by 13% to VND18,200 per share, reflecting the positive outlook for the construction and BOT toll collection segments. We maintain our Buy recommendation.

Solid 6M2025 Business Results: In 2Q2025, HHV posted revenue of VND947 bn (+16.4% YoY) and net profit after tax (NPAT) of VND 151 bn (+21.7% YoY). For 1H2025, HHV's revenue reached VND 1,682 bn (+11.9% YoY) while NPAT surged to VND 324 bn (+40.7% YoY), fulfilling 58% of the company's annual plan and 57% of ACBS's full-year forecast. Growth was evenly supported by both core business segments—BOT toll collection and construction.

+ BOT Segment: This segment remained the primary revenue contributor in 1H2025, accounting for 63% of total revenue, with VND1,066 bn (+10.8% YoY). Growth was driven by a 15.9% YoY increase in PCUs, equivalent to 2.4 ml additional PCUs, alongside planned toll rate adjustments under its financial strategy. Most toll stations recorded traffic growth, with the Cam Lam-Vinh Hao expressway posting a standout increase of 276% YoY in 2Q2024. Other stations, including Bac Giang-Lang Son, Bac Hai Van, and Trung Luong-My Thuan, also achieved solid growth in the range of 10%–25% YoY. Conversely, traffic volume at the Ninh Loc station declined by 23.4% YoY, attributable to traffic diversion to the newly operational Van Phong-Nha Trang expressway.

+ Construction Segment: This segment contributed 32% of total revenue in 1H2025, reaching VND524 bn (+5.2% YoY). The growth was driven by HHV's accelerated execution progress at key national infrastructure projects such as the Dong Dang – Tra Linh Expressway, Huu Nghi – Chi Lang section, and the Quang Ngai – Hoai Nhon Expressway. Notably, the Quang Ngai-Hoai Nhon expressway (88 km) reached an estimated construction output value of approximately VND 10 trn, equivalent to 75% of total work volume, as of July 2025. HHV targets completion of the roadway section by September 30, 2025, and Tunnel No. 3 by December 31, 2025—eight months ahead of the contractual schedule.

Profit margins improved in 6M2025, with the consolidated gross margin rising 0.6 percentage points YoY to 46%, supported by both core business segments. The BOT toll collection segment's gross margin expanded by 0.5 percentage points YoY to 67.4%, driven by higher traffic volumes and toll rates. The construction segment also saw gross margin improvement to 4.4%, from 4.0% in the same period last year, as the adverse impact of elevated costs from the Quang Ngai-Hoai Nhon project subsided.

	2022	2023	2024	2025F	2026F
Net Sales (VNDbn)	2,095	2,686	3,308	3,792	4,187
Growth	12.6%	28.2%	23.1%	14.6%	10.4%
EBITDA (VNDbn)	1,277	1,411	1,694	1,790	1,991
Growth	16.9%	10.5%	20.0%	5.7%	11.2%
PATMI (VNDbn)	264	322	426	491	590
Growth	-1.5%	22.0%	32.4%	15.2%	20.1%
EPS (bonus-adjusted, VND)	929	678	859	1,137	1,366
Growth	75.2%	-27.0%	26.7%	32.4%	20.1%
ROE	3.3%	3.8%	3.9%	4.1%	4.7%
ROA	0.8%	0.9%	1.1%	1.2%	1.4%
Net debt/EBITDA (times)	15.9	14.2	10.9	9.9	8.5
EV/EBITDA (times)	19.9	17.9	14.6	13.8	12.4
PER (times)	12.3	13.2	15.2	15.2	12.6
PBR (times)	0.6	0.9	0.6	0.6	0.6
DPS (VND)	0	0	0	0	0
Dividend yield	0%	0%	0%	0%	0%

HHV plans to conduct a rights offering to existing shareholders in 4Q2025. For the full year, the company targets raising a total of VND 912 bn through a combination of private placement and rights issuance. Specifically, in 2Q2025, HHV completed a private placement worth VND415 bn, equivalent to 9.6% of current charter capital, with proceeds allocated to the Dong Dang–Tra Linh project. In 4Q2025, the company intends to launch a rights offering to raise VND 497 bn to finance the Cam Lam–Vinh Hao PPP project.

Outlook: We expect HHV's BOT segment to deliver steady growth of 8–10%/year during the 2025–2027 period, ensuring a stable revenue base. Regulatory support is improving, with the Ministry of Construction proposing state funding for two HHV's projects: VND2,280 bn for Deo Ca Tunnel and VND4,600 bn for Bac Giang – Lang Son Expressway. Amendments to the PPP and Public Investment Laws, along with rising public spending, are likely to create new project opportunities. As of 2Q2025, HHV's backlog stood at over VND1,900 bn (1.9x 2024 construction revenue), providing solid visibility. The company is also exploring nearly 400 km of expressways with total investment exceeding VND 120 trn. Looking ahead, HHV could secure an additional over VND5,000 bn in new backlog during 2025–2026 from large-scale infrastructure projects.

We revise our 2025 net profit forecast upward by 14% to VND491 bn, reflecting improved profit margins. Accordingly, we raise our 2025FY target price by 13% to VND18,200 per share, underpinned by a favorable outlook for the construction and BOT toll collection segments. We maintain our Buy recommendation.

Table1: 2Q2025 and 1H2025 business results

	2Q2024	2Q2025	Growth
Cu Mong	354,525	337,447	-5%
Deo Ca	739,368	806,259	9%
Bac Hai Van	891,236	988,664	11%
An Dan	880,664	956,502	9%
Ninh Loc	1,505,536	1,152,111	-23%
Bac Giang - Lang Son	604,844	755,463	25%
Km93+160	640	658,175	3%
Trung Luong - MyThuan	2,462,251	2,723,987	11%
Cam Lam -Vinh Hao	256,693	946,544	269%
Total	8,335,117	9,325,152	12%

Table2: 2Q2025 and 1H2025 business results

Unit: VND bn	2Q2024	2Q2025	YoY growth	1H2024	1H2025	YoY growth	2025 Target	% Completion
Net revenue	814	947	16.4%	1,504	1,682	11.9%	3,585	46%
Gross profit	347	387	11.6%	682	773	13.4%		
Financial income	11	15	31.5%	18	29	54.7%		
Financial expenses	-202	-227	12.1%	-411	-448	9.0%		
SG&A expenses	-20	-20	0.7%	-37	-37	0.3%		
NPAT	130	151	16.4%	130	151	16.4%	555	58%
NPATMI	109	131	19.4%	205	277	34.8%		

Sources: HHV, ACBS.

Table 3: List of backlog

Projects	Total investment (VND bn)	Time of execution	Contract value (VND bn)	Remaining value (VND bn)	Output 2Q2025 (VND bn)	Revenue in 2Q2025 (VND bn)
Quang Ngai-Hoai Nhon Expressway	20,470	2023-2025	1,671	107	276	231
Binh Dinh coastal road	1,081	2022-2025	536	114	40	35
Lien Chieu Port Connecting Road	1,203	2025-2026	138	50	24	26
Dong Dang – Tra Linh Expressway	14,113	2023-2026	1,735	1,655	64	63
HCMC - Thu Dau Mot – Chon Thanh Expressway	8,833	2025-2027			Expected value: VND 2,000 bn	

Sources: HHV, ACBS.

HHV FINANCIAL MODEL	Current price: VND	14,800	Target price: VND	18,200	Market Cap: VND bn	7,048
(VND bn except where stated)	2022	2023	2024	2025F	2026F	
Net sales (VND bn)	2,095	2,686	3,308	3,792	4,187	
<i>Growth (%)</i>	<i>12.6%</i>	<i>28.2%</i>	<i>123.2%</i>	<i>10.9%</i>	<i>10.4%</i>	
COGS	-1,078	-1,605	-1,967	-2,352	-2,540	
Gross profit	1,017	1,080	1,341	1,440	1,646	
<i>Gross profit margin</i>	<i>49.0%</i>	<i>40.2%</i>	<i>40.5%</i>	<i>38.0%</i>	<i>39.3%</i>	
SG&A	-73	-61	-72	-86	-95	
<i>SG&A margin</i>	<i>-3.0%</i>	<i>-2.3%</i>	<i>-2.2%</i>	<i>-2.3%</i>	<i>-2.3%</i>	
Profit/(loss) in associates, joint venture	53	49	57	91	95	
EBITDA	1,277	1,411	1,694	1,790	1,991	
<i>EBITDA margin</i>	<i>61.0%</i>	<i>52.5%</i>	<i>51.2%</i>	<i>47.2%</i>	<i>47.6%</i>	
Net operating profit	944	1,017	1,367	1,461	1,658	
<i>Operating profit margin</i>	<i>45.1%</i>	<i>37.9%</i>	<i>41.3%</i>	<i>38.5%</i>	<i>39.6%</i>	
Financial income	5	26	7	16	12	
Financial expenses	-648	-667	-814	-820	-889	
Other income	0	1	0	0	0	
Profit before tax	354	425	579	641	769	
Profit after tax	297	364	495	556	668	
<i>Non-controlling interest</i>	<i>-33</i>	<i>-42</i>	<i>-69</i>	<i>-65</i>	<i>-78</i>	
NPATMI	264	322	426	491	590	
<i>Net profit margin</i>	<i>12.6%</i>	<i>12.0%</i>	<i>12.9%</i>	<i>13.0%</i>	<i>14.1%</i>	
Cash, cash equivalents & short-term investments	382	296	309	367	195	
Share outstanding (mn)	307	329	432	497	497	
EPS (VND)	982	1,010	987	989	1,187	
Adjusted EPS (VND)	929	678	859	1,137	1,366	
<i>EPS growth (%)</i>	<i>84.7%</i>	<i>-27.0%</i>	<i>26.7%</i>	<i>32.4%</i>	<i>20.1%</i>	

KEY CASHFLOW AND BS ITEMS	2022	2023	2024F	2025F	2026F
Increase in working capital	6	327	-705	-406	-295
Capex	-58	-59	-50	-50	-50
Other cash flow items	137	242	520	2105	-183
Free cash flows	178	-27	13	58	-172
Dividends paid	0	0	0	0	0
Increase in net debt	-574	-283	-1,482	-858	-662
Net debt, end of year	20,271	19,988	18,506	17,648	16,986
Shareholder's equity	9,978	10,456	10,930	11,902	12,573
BVPS (VND)	23,320	22,760	25,300	23,947	25,297
<i>Net debt / Equity</i>	<i>203.0%</i>	<i>191.2%</i>	<i>169.3%</i>	<i>148.3%</i>	<i>135.1%</i>
<i>Net debt / EBITDA</i>	<i>15.9</i>	<i>14.2</i>	<i>10.9</i>	<i>9.9</i>	<i>8.5</i>
Total assets	35,656	36,780	38,906	40,369	41,389

KEY RETURN AND VALUATION RATIOS	2022	2023	2024F	2025F	2026F
ROE	3.3%	3.8%	3.9%	4.1%	4.7%
ROA	0.8%	0.9%	1.1%	1.2%	1.4%
ROIC	3.5%	3.7%	4.3%	4.8%	5.5%
WACC	10.4%	10.4%	10.4%	10.4%	10.4%
EVA	-7.0%	-6.7%	-6.1%	-5.7%	-4.9%
P/E (x)	12.3	13.2	15.2	15.2	12.6
EV/EBITDA (x)	19.9	17.9	14.6	13.8	12.4
EV/FCF (x)	143.2	-928.3	1,929.2	426.7	-143.9
P/B (x)	0.6	0.9	0.6	0.6	0.6
P/S (x)	2.3	1.5	4.5	4.0	3.6
EV/sales (x)	12.5	9.3	7.5	6.5	5.9
Dividend yield	0%	0%	0%	0%	0%

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DISCLAIMER

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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