HHV Update – BUY

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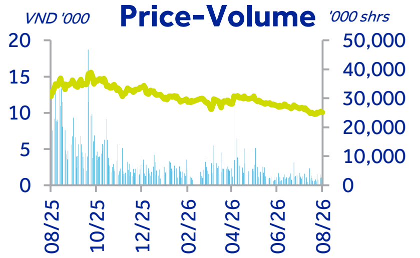
Flash note

Recommendation	**BUY**
	HSX: HHV
	Construction
Target price (VND)	**15,700**
Market price (VND)	**10,050**
Expected share price return	56.2%
Expected dividend yield	0%
Expected total return	**56.2%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-19.8	-6.2	-15.8	-17.4
Relative	-20.0	-1.9	-11.7	-34.6

Source: Bloomberg



Ownership

B.O.T Hai Thach Investment JSC	8.99%
Deo Ca Group	7.21%

Stock Statistics 06-Aug-26

Bloomberg code	**HHV VN**
52-week range (VND)	9,500 - 16,134
Shares O/S (m)	547
Mkt cap (VND bn)	5,499
Mkt cap (USD m)	208
Est. Foreign room left (%)	38.5
Est. free float (%)	85.5
3m avg daily vol (shrs)	3,255,655
VND/USD	26,480
Index: VNIndex / HNX	1735.78/271.25

DEO CA TRAFFIC INFRASTRUCTURE INVESTMENT JSC (HHV VN)

HHV's 2Q2026 and 1H2026 results were broadly in line with our expectations. We maintain our FY2026 forecasts and Buy recommendation, while lowering our target price by 5% to VND15,700/share to reflect the dividend adjustment.

Looking ahead to 2026–2027, we expect the BOT segment to sustain 8–10% annual earnings growth, supported by rising traffic volumes and providing a stable source of operating cash flow. Meanwhile, the construction segment is well positioned to benefit from Vietnam's accelerating public investment cycle, with a backlog exceeding VND3.5tn as of end-Q2/2026 (equivalent to 2.7x FY2025 construction revenue), providing solid earnings visibility over the next few years. Nevertheless, the pace of backlog conversion will depend on project execution and disbursement progress, while construction margins could face pressure if raw material cost inflation outpaces contractual price adjustment mechanisms.

HHV delivered solid 2Q2026 results, with revenue reaching VND970 bn (+2.5% YoY) and NPAT of VND145 bn (+11.5% YoY). Earnings growth was primarily driven by the BOT segment, which accounted for 66% of total revenue and generated VND1.24tn in revenue (+16% YoY), supported by higher traffic volumes across key assets, including the Bac Giang–Lang Son Expressway and the Deo Ca, An Dan, and Bac Hai Van toll stations.

In 1H2026, HHV reported revenue of VND1,877 bn (+11.6% YoY) and NPAT of VND325 bn (+17.3% YoY), achieving 51% of both management's FY2026 guidance and our full-year forecast. The strong performance was mainly attributable to continued growth in the BOT business.

Gross margin improved to 45.4% in Q2/2026 (vs. 40.9% in Q2/2025), driven by a 3.3ppt expansion in the BOT gross margin to 68.4%, reflecting higher traffic volumes and toll rates, as well as a 2.1ppt increase in the construction gross margin to 6.6%, supported by a more favorable project mix.

During 1H2026, HHV secured nearly VND2.0tn of new construction contracts, including the Nui Vung Tunnel Expansion, Quang Ngai–Hoai Nhon Expressway, and HCMC–Trung Luong–My Thuan Expressway expansion projects. In addition, a consortium led by HHV was awarded the operation and maintenance contracts for two sections of the North–South Expressway (Eastern Corridor), strengthening earnings visibility for its construction and infrastructure services businesses over 2026–2027.

	2023	2024	2025	2026F	2027F
Net Sales (VNDbn)	2,686	3,308	3,801	4,395	4,854
Growth	*28.2%*	*23.1%*	*14.9%*	*15.6%*	*10.4%*
NPAT (VNDbn)	322	426	581	630	713
Growth	*22.0%*	*32.4%*	*37.9%*	*8.4%*	*13.1%*
EPS (bonus-adjusted, VND)	1,175	1,879	1,973	3,239	3,921
Growth	*-19.0%*	*59.9%*	*35.2%*	*61.0%*	*21.1%*
ROE	27.2%	29.6%	27.9%	13.6%	18.2%
Net debt/Equity (times)	2.3	1.7	1.5	1.3	1.1
PER (times)	26.4	16.5	13.2	6.8	5.6
PBR (times)	1.8	1.7	1.6	1.1	1.0
DPS (VND)	500	500	0	500	500
Dividend yield	2%	2%	0%	2.3%	2.3%

Table 1: Business results

Unit: VNDbn	2Q2025	2Q2026	YoY Change	1H2025	1H2026	YoY Change
Total revenue	**947**	**970**	**2%**	**1,682**	**1,877**	**12%**
BOT	539	590	9%	1,067	1,247	17%
Construction	139	312	124%	524	517	-1%
O&M	22	49	123%	54	76	41%
Gross profit	387	441	14%	773	954	23%
Financial income	15	3	-78%	29	6	-81%
Financial expenses	-227	-247	9%	-448	-526	18%
SG&A expenses	-20	-19	-2%	-37	-36	-1%
NPAT	**131**	**145**	**11%**	**277**	**325**	**17%**

Sources: HHV, ACBS

Table 2: Vehicle traffic volume at toll stations

	2Q2026	YoY	1H2026	YoY
Cù Mông	550,762	63%	986,655	35%
Đèo Cả	927,950	15%	1,966,267	16%
An Dân	524,304	-45%	1,643,924	-16%
Bắc Hải Vân	1,191,251	20%	2,537,593	32%
Ninh Lộc	1,002,860	-13%	1,982,404	-29%
Bắc Giang - Lạng Sơn	829,366	24%	1,743,197	27%
Km93+160	613,403	-7%	1,303,646	-3%
Cam Lâm -Vĩnh Hảo	856,531	13%	1,913,723	27%

Sources: HHV, ACBS

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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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