

# Gemadept (GMD)

## Steadfast growth

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**In 2024, GMD's net revenue totaled VND4,832 billion (+26% YoY), while NPAT came in at VND1,905 billion (-25% YoY)**

In 2024, GMD delivered net revenue of VND4,832 billion (+26% YoY), meeting 121% of the full-year target, with the core port operations business contributing VND4,201 billion (+44% YoY). Meanwhile, NPAT stood at VND1,905 billion (-25% YoY). Barring one-off gains from the divestments of Nam Hai Dinh Vu and Nam Hai Ports in 2Q2023 and 1Q2024, NPAT would have increased by 40% YoY.

**Port throughput growth is expected to moderate to 7-8% in 2025**

Total port throughput is expected to keep growing, backed by: (i) Businesses expediting shipments ahead of concerns over potential tariff policy changes and (ii) Nam Dinh Vu securing new contracts. However, growth is projected to moderate to 7-8% amid rising competition within the Hai Phong port cluster and limited capacity expansion, as major ports are already operating beyond their designed capacity.

**Service rates at southern ports are projected to rise significantly in 2025**

Service charges at all GMD ports were adjusted upward earlier this year, with increases ranging from 3% to 30%, depending on the service type and port. The average service fee hike in 2025 is estimated at 4% for northern ports and 10% for southern ports, with a minimum annual growth rate of 4% through 2030.

**We recommend BUY for GMD with a target price of VND76,000/share**

Based on the business outlook and valuation results, we recommend BUY for GMD, setting a target price of VND76,000 per share, equaling a 26.7% return from the closing price on March 5, 2025.

**Buy** maintain

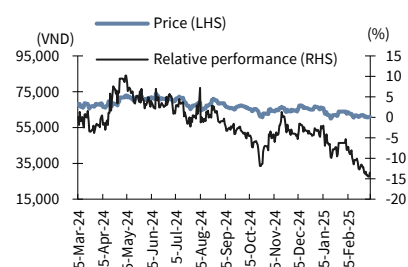
<b>Target price</b>	<b>VND76,000</b>
Upside	26.7%
Current price (Mar 5, 2025)	VND60,000
Consensus target price	VND71,900
Market cap (VNDtn/USDbn)	24.8/1.0

<b>Trading data</b>	
Free float	93.1%
3M avg trading value (VNDbn/USDmn)	56.4/2.2
Foreign ownership	44.1%
Major shareholder	SSJ Consulting (7.17%)

<b>Share price performance</b>				
(%)	1M	3M	6M	12M
<b>Absolute</b>	-3.9	-7.4	-9.0	-10.3
<b>Relative</b>	-7.3	-10.9	-12.4	-13.6

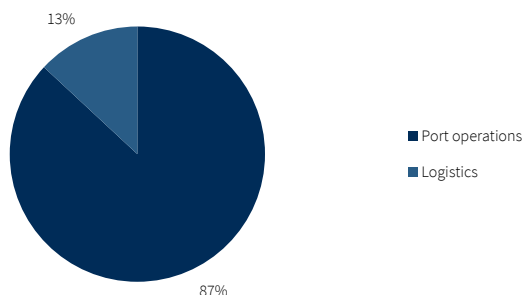
### Forecast earnings & valuation

FY-end	2023A	2024A	2025F	2026F
Net revenue (VNDbn)	3,846	4,832	5,411	5,837
Operating income/loss (VNDbn)	3,177	2,429	2,461	2,476
NPAT-MI (VNDbn)	2,251	1,459	1,736	2,017
EPS (VND)	7,207	4,285	4,193	4,799
EPS growth (%)	138%	-41%	-2%	14%
P/E (x)	8.3	14.0	14.3	12.5
P/B (x)	2.6	1.8	1.7	1.7
ROE (%)	26%	14%	14%	15%
Dividend yield (%)	3%	4%	2%	1%



Source: Bloomberg, KB Securities Vietnam

## Revenue composition (2024)



Source: Gemadept Corporation, KB Securities Vietnam

## Business operation

Gemadept Corporation (GMD) is one of Vietnam's foremost companies in the port operations and logistics sector, achieving a total throughput of over 4.4 million TEUs in 2024. The company boasts an extensive network of ports across the Northern, Central, and Southern regions, offering a diverse range of inland ports, river ports, and seaports. Notably, its deep-water port, Gemalink, is capable of accommodating the world's largest Megaships currently in service.

## Investment Catalysts

**Gemalink 2 and Nam Dinh Vu 3 are major port projects driving GMD's long-term growth.** Gemalink 2A (700,000 TEUs) and Nam Dinh Vu 3 (800,000 TEUs) are in the final stages of legal and financing arrangements, with operations expected to start by 2026.

**Service charges at GMD ports are projected to rise by 4–7% annually through 2030**, with KBSV estimating 2–4% growth for northern ports and 5–10% for southern ports.

**Divesting non-core businesses could unlock extraordinary profits**, with leadership targeting completion of rubber plantation divestments by 2025.

## Notes

Please find more details below

Please find more details here

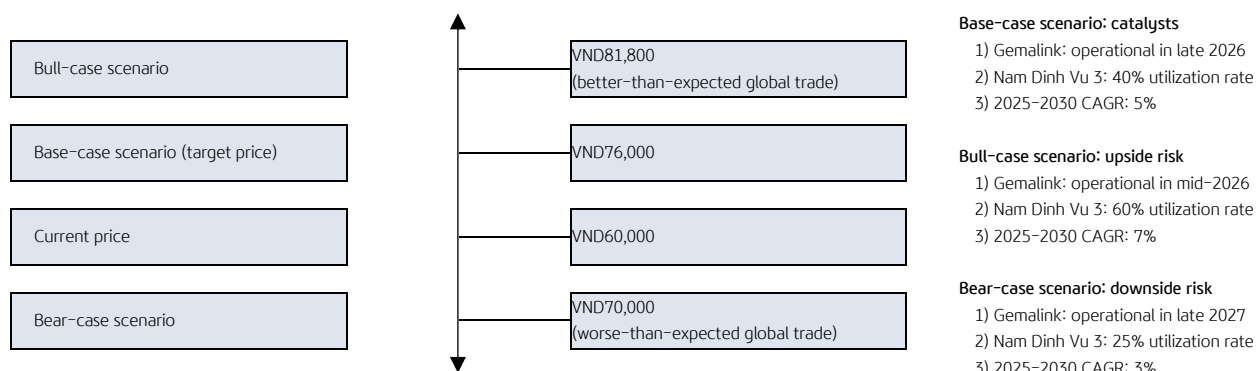
Please find more details below

## Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Revenue	5,411	5,837	12%	+8%	4,885	5,476	+11%	+7%
EBIT	2,387	2,522	-4%	+11%	1,961	1,874	+22%	+35%
NP after MI	1,736	2,017	-14%	+9%	1,465	1,691	+18%	+19%

Source: Bloomberg, KB Securities Vietnam

## Investment opinion &amp; risks



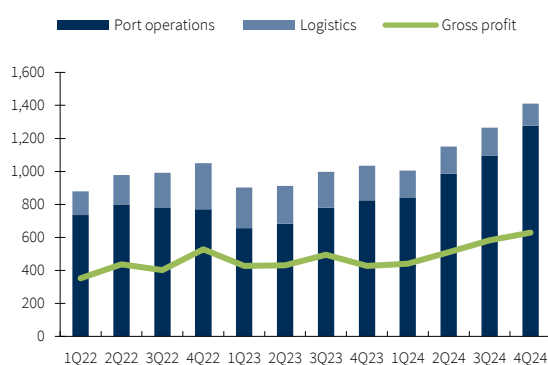
## Business performance

Table 1. GMD – 2023–2024 business performance

(VNDbn)	4Q2023	4Q2024	+/-YoY	2023A	2024A	+/-YoY	Notes
<b>Revenue</b>	1,034	1,412	37%	3,846	4,832	26%	Met 121% of the 2024 revenue target (VND4,000 billion).
Port operations	791	1,277	61%	2,909	4,201	44%	In 2024, total port throughput (excluding Gemalink) rose 38% YoY, driven by: (i) a strong rebound in international shipping demand amid supply chain concerns and tariff changes, and (ii) the completion of the Ha Nam canal upgrade project (from the turning basin at Hai Phong International Container Port to Nam Dinh Vu Port) in July 2024. 4Q2024 port throughput reached 770,000 TEUs (+37% YoY). Port service fees were adjusted upward across most services, averaging 3–10%, depending on the port.
Logistics	243	135	-45%	937	632	-33%	
<b>Gross profit</b>	<b>426</b>	<b>629</b>	<b>48%</b>	<b>1778</b>	<b>2162</b>	<b>22%</b>	
Gross profit margin	41%	45%	4 ppts	46%	45%	-1 ppt	
Financial income	24	29	21%	1,941	418	-78%	In 2023 and 2024, profits were recorded from the divestments of Nam Hai Dinh Vu Port (VND1,841 billion) and Nam Hai Port (VND310 billion), respectively.
Financial expenses	-25	-16	-37%	155	150	-3%	
Shared profits from affiliates	139	313	125%	274	816	198%	Strong earnings growth in 2024 was primarily driven by Gemalink, contributing VND537 billion, up from nearly VND20 billion in 2023, as port throughput surpassed 1.7 million TEUs, marking a 68% YoY increase.
SG&A	-276	-270	-2%	661	816	23%	
Operating income/loss	288	685	138%	3,177	2,429	-24%	
Other income	-35	-334	862%	-30	-349	1063%	
Profit before tax (PBT)	253	351	39%	3,147	2,080	-34%	
<b>Net profit after tax (NPAT)</b>	<b>192</b>	<b>356</b>	<b>86%</b>	<b>2,534</b>	<b>1,905</b>	<b>-25%</b>	2024 NPAT would have increased by 40% YoY, excluding extraordinary income.
NPAT margin	19%	25%	6 ppts	66%	39%	-27 ppts	
<b>NPAT-MI</b>	<b>115</b>	<b>235</b>	<b>104%</b>	<b>2,251</b>	<b>1,459</b>	<b>-35%</b>	

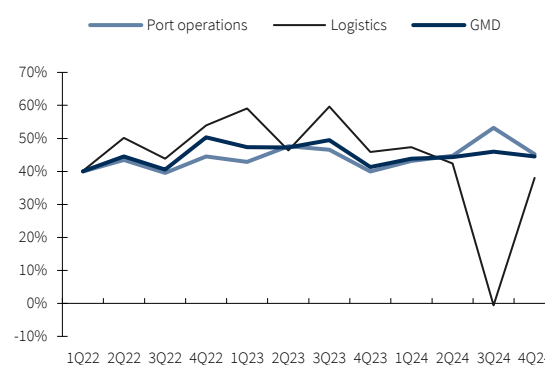
Source: Gemadept Corporation, KB Securities Vietnam

Fig 2. GMD – Revenue breakdown, gross profit (VNDbn)



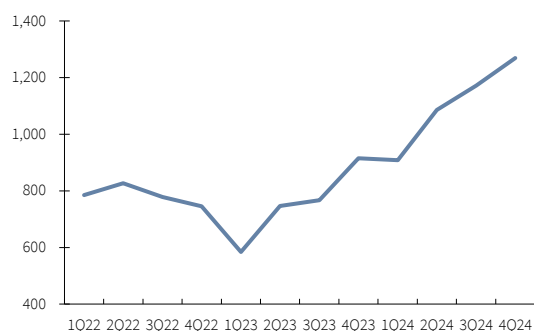
Source: Gemadpet Corporation, KB Securities Vietnam

Fig 3. GMD – Gross profit margin (%)



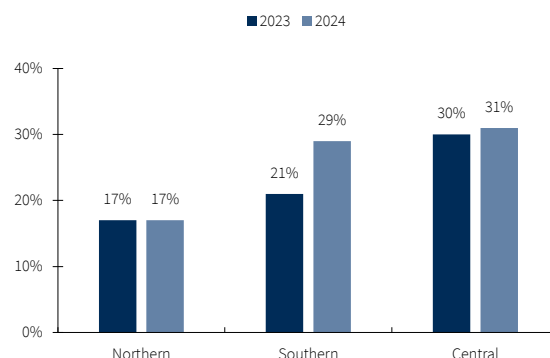
Source: Gemadpet Corporation, KB Securities Vietnam

Fig 4. GMD – Port throughput ('000 TEUs)



Source: Gemadept Corporation

Fig 5. GMD – Market share (%)



Source: Gemadept Corporation

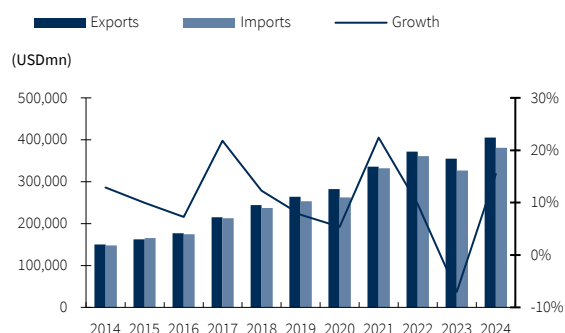
### Port throughput growth is expected to moderate to 7–8% in 2025

Throughput across GMD ports is expected to keep growing in 2025, supported by:

- The government's 12% trade growth target, signaling sustained trade expansion;
- Businesses expediting shipments in anticipation of potential tariff policy changes, providing a temporary boost to Vietnam's trade;
- Nam Dinh Vu Port securing new contracts, including intra-Asia and Trans-Pacific routes, with increased vessel frequency from major shipping lines, following the completion of the Ha Nam canal upgrade project in July 2024. The deployment of 12 additional RTG cranes in November 2024 will further enhance productivity and attract new partners to the port.

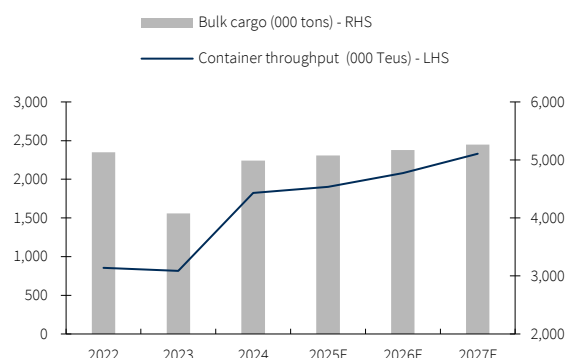
However, throughput growth may moderate to 7% in 2025, significantly lower than in 2024, due to: (i) capacity constraints at Nam Dinh Vu (140% utilization in 4Q2024) and Gemalink (118% utilization in 4Q2024); (ii) the absence of mid-2024 Asian port congestion, which previously boosted Gemalink's throughput; (iii) uncertainty over new U.S. tariff policies, prompting businesses to be more cautious with new orders and long-term contracts; and (iv) increased competition for Nam Dinh Vu with the launch of Lach Huyen 3,4 (PHP) and Lach Huyen 5,6 (Hateco) in early 2025, adding 2.2 million TEUs of capacity to the Hai Phong port cluster. Despite these challenges, Nam Dinh Vu retains key competitive advantages, including: (i) enhanced vessel handling capacity following the Ha Nam canal upgrade; (ii) a loyal customer base from long-term GMD partner carriers; and (iii) infrastructure constraints at Lach Huyen that hinder its partner attraction.

Fig 6. Vietnam – Export-import turnover & growth (USDmn, %)



Source: General Statistics Office of Vietnam

Fig 7. GMD – Bulk cargo & container throughput ('000 tons, '000 TEUs)



Source: Gemadept Corporation, KB Securities Vietnam

### Service charges at southern ports would increase significantly in 2025

Service rates at GMD ports have been adjusted upward as follows:

- **Northern ports:** Handling fees remain largely unchanged, while container lift-on/lift-off and stuffing/unstuffing fees will increase by 5–15%, effective March 2025.
- **Southern ports:** Service fees at Gemalink, Dung Quat, Binh Duong, and Phuoc Long ports were raised in February 2025, with increases ranging from 1–3% to 20–30%, depending on the service. However, Gemalink's international cargo handling fees will remain unchanged following a more than 10% hike in 2024.

Another moderate price adjustment may take place later in the year. In 2025, average service fees are expected to rise by 4% at northern ports and 10% at southern ports, with a sustained annual growth rate of at least 4% through 2030. This outlook is supported by: (i) Circular 39, effective from 2024, which increases the price ceiling for port services, and (ii) substantial pricing headroom, as Vietnam's port service fees remain 30–40% lower than those of regional peers.

### The rubber segment may soon generate extraordinary profits for GMD

GMD initiated its investment in rubber plantations in Cambodia in 2011. In 2022, the company announced plans to divest non-core businesses to allocate resources more effectively towards its core operations. Recently, management reaffirmed its commitment to completing the rubber divestment by 2025. A successful exit would generate one-off gains and strengthen cash flow for upcoming port expansion projects. However, due to the absence of specific transaction details, we have not factored the divestment into our valuation.

### GMD approved a revised plan for utilizing proceeds from the 2024 additional share offering

GMD successfully completed its 2024 public offering to existing shareholders, raising a total of VND3,014 billion. At the end of January 2025, the Board of Directors approved adjustments to the fund allocation plan, with the following key changes:

- Capital expenditure for fixed assets, including two vessels (one fewer than initially planned), cranes, and barges, was reduced by VND434 billion to VND1,779 billion.
- Bank loan repayment remained unchanged at VND231 billion.

- Investment in Nam Hai Dinh Vu was lowered by VND17 billion to VND540 billion.
- An additional VND388 billion was allocated to two subsidiaries, while VND76 billion was earmarked for acquiring shares in Hai Minh Port Services JSC.

Fig 8. GMD – Nam Dinh Vu Port

Nam Dinh Vu Port is the closest gateway to the sea among ports in Hai Phong, consisting of two phases, with a combined capacity of 1.2 million TEUs. Phase 1 has been operational since 2018, while Phase 2 began operations in mid-2023. The port is currently operating at maximum capacity, with an average throughput of approximately 100,000 TEUs per month. In 4Q2024, the utilization rate reached 140%. Phase 3 is under construction, with a total investment of approximately VND2,500 billion. Phase 3 is currently under construction with a total investment of approximately VND2,500 billion. Nam Dinh Vu 3 is expected to be completed by December 2025 and is projected to reach over 70% capacity utilization within two years of operations. Once completed, Nam Dinh Vu's total capacity will reach 2 million TEUs, a 67% increase from the current capacity. The port will be capable of handling vessels up to 48,000 DWT, the largest size able to access the Dinh Vu area.



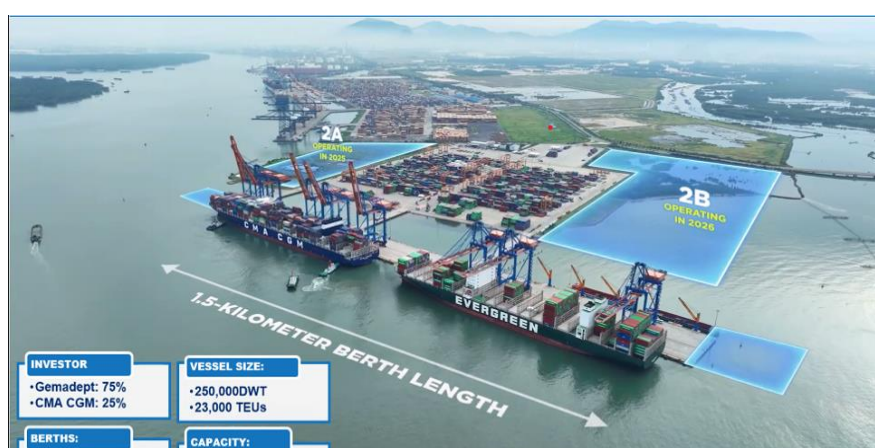
Source: Gemadept Corporation

Fig 9. GMD – Gemalink Port

Gemalink continues to operate beyond its designed capacity, recording throughput of over 1.68 million TEUs for the whole year of 2024, equivalent to 115% of its designed capacity (+68% YoY).

Gemalink 2 is currently in the process of obtaining an adjusted construction permit to extend the berth length, enabling it to accommodate larger vessels. Construction is expected to commence in early 2025, delayed from the initial plan of late 2024.

Phase 2A, with a total investment of USD150 million, is projected to have its infrastructure completed by 2026. Phase 2B is anticipated to begin construction once Phase 2A reaches at least 70% capacity utilization, with the earliest operations expected by 2028.



Source: Gemadept Corporation

## Forecast & Valuation

Table 10. GMD – 2024A–2026F business performance

(VNDbn)	2024A	2025F	+/-%YoY	2026F	+/-%YoY	Notes
<b>Revenue</b>	<b>4,832</b>		<b>12%</b>		<b>8%</b>	
Port operations	4,201	5,411 4,748	13%	5,837 5,140	8%	In 2025, throughput is projected to reach 1.44 million TEUs (+9% YoY) in the Northern region, 2.3 million tons (+4% YoY) in the Central region, and 1.43 million TEUs (+5% YoY) in the Southern region. Service charges are expected to rise by 4% YoY at Northern ports and 9% YoY at Southern ports.
Logistics	632	663	5%	697	5%	
<b>Gross profit</b>	<b>2,162</b>		<b>12%</b>		<b>6%</b>	
Gross profit margin	46%	2,416 45%	-1 ppt	2,557 44%	-1 ppt	2025F gross margin is expected to decline slightly due to higher outsourced service costs as ports operate beyond their designed capacity.
Financial income	418	158	-62%	105	-34%	Driven by the absence of extraordinary income from port divestments
Financial expenses	-150	-143	-5%	-163	14%	
Shared profits from affiliates	816	895	10%	899	0%	Gemalink is expected to generate profits of VND583 billion in 2025 and VND575 billion in 2026, respectively.
SG&A	-816	-866	6%	-922	7%	
<b>Operating income/loss</b>	<b>2,429</b>	<b>2,461</b>	<b>1%</b>	<b>2,476</b>	<b>1%</b>	
Other income	-349	-216	-38%	-117	-46%	
Profit before tax (PBT)	2,080	2,244	8%	2,359	5%	
<b>Net profit after tax (NPAT)</b>	<b>1,905</b>	<b>1,969</b>	<b>3%</b>	<b>2,222</b>	<b>13%</b>	2025 NPAT is expected to grow by 19% YoY, excluding one-off gains from the Nam Hai Port divestment.
NPAT-MI	1,459	1,736	19%	2,017	16%	
NPAT margin	30%	32%	+2 ppts	35%	+3 ppts	

Source: Gemadept Corporation, KB Securities Vietnam

**We recommend BUY for GMD with a target price of VND76,000/share**

We employ the sum of the parts (SOTP) valuation method to value GMD, including: (i) its core businesses (port operations and logistics) and shared profits from joint ventures and associates; (ii) contribution from SCSC Cargo Service Corporation (SCS), (iii) the Gemalink project; and (iv) rubber and real estate projects. Accordingly, we maintain our BUY recommendation for GMD with a target price of VND76,000 per share, representing a 26.7% upside from the closing price of VND60,000 per share on March 5, 2025, based on the following assumptions:

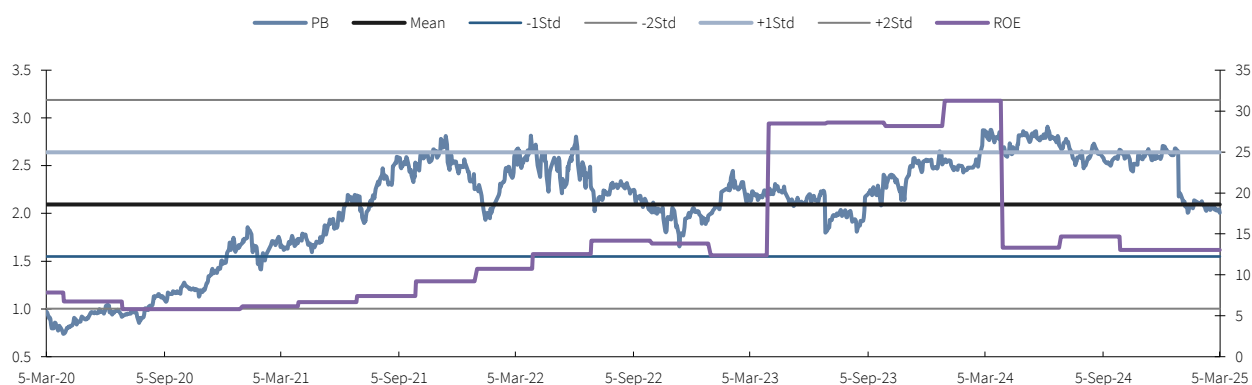
- Nam Dinh Vu 1+2 should continue operating beyond their designed capacity, with utilization rate of 120% in 2025, while Nam Dinh Vu 3 is projected to start contributing to revenue from 2026, with an initial utilization rate of 76% in its first year. Throughput at Gemalink is anticipated to recover significantly, exceeding 1.7/1.8 million TEUs in 2025/2026. However, Gemalink 2A is currently behind schedule and is expected to commence operations in the second half of 2026.
- Average port service fees are forecasted to increase by 7% YoY in 2025 and 5% YoY in 2026, with sustained annual growth of 4–5% through 2030.

Table 11. GMD – Valuation results

	Valuation method	Value (VNDbn)	GMD's ownership	Contribution to GMD (VNDbn)
Port operations	FCFF	15,461	100%	15,461
SCS	FCFF	9,483	36.24%	3,437
Gemalink	FCFF	16,993	65.10%	11,062
Rubber	BV	1,830	100%	1,830
Real estate	BV	290	100%	290
<b>Equity value</b>				<b>32,080</b>
Number of shares outstanding (million shares)				420.19
<b>Target price (VND)</b>				<b>76,000</b>
Current price (VND)				60,000
Upside				26.7%

Source: Gemadept Corporation, KB Securities Vietnam

Fig 12. GMD – P/B, ROE in 2020–2025



Source: Bloomberg, KB Securities Vietnam





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**Investment Ratings for Stocks**

(based on expectations for absolute price gains over the next 6 months)

Buy:	Neutral:	Sell:
+15% or more	+15% to -15%	-15% or more

**Investment Ratings for Sectors**

(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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