

GMD GEMADEPT GROUP CORPORATION

↑ OUTPERFORM

Market price **29,500**



THE WAY FORWARD



Stock info

Code	GMD
Current outstanding shares	426mil
Market cap (VNDbn)	31,262
High Low 52 weeks	82,000 51,500
Average trading vol (52w)	2,294,850 shares
Beta	0.88
Foreign ownership (%)	41.26

Major shareholders

VI FUND II, L.P	13.4%
ReCollection Pte. Ltd.	4.26%
KIM Vietnam Growth Equity Fund	2.75%
TMAM Vietnam Equity Mother Fund	1.85%

Overview

Gemadep Corporation (GMD), formerly known as the Union of Transport Agents, was established in 1990 and officially listed on the Ho Chi Minh City Stock Exchange (HOSE) in 2002. Over more than three decades of development, GMD has solidified its position as a market leader in port operations and integrated logistics services in Vietnam. The company operates a closed port ecosystem strategically distributed across key economic zones spanning the Northern, Central, and Southern regions, with a total system capacity of approximately 3.5 million TEUs and 2 million tons of bulk cargo annually.

In terms of core revenue structure, Port Operations serves as the backbone, accounting for an overwhelming 86% - 87% of net revenue. GMD possesses an impressive port portfolio:

- **Northern Region (Hai Phong):** Owns the Nam Dinh Vu Port cluster (planned capacity of 2 million TEUs) and Nam Hai ICD (21 hectares).
- **Central Region:** Operates Gemadep Dung Quat International Port (Quang Ngai), a pivotal hub for general cargo and container handling catering to heavy industrial zones.
- **Southern Region:** Operates Binh Duong Port (PIP) as a feeder port, and most notably, the deep-sea mega-port **Gemalink** (Cai Mep - Thi Vai, a joint venture with CMA CGM) – Vietnam's largest container terminal capable of receiving mega-vessels up to 250,000 DWT.

The **Logistics and Ancillary Services** segment (contributing 13% - 14% of revenue) comprises six key components: Air cargo terminal (SCSC - 36.24% ownership), distribution centers (400,000 sqm), multimodal transport, cold chain logistics (Mekong Logistics), auto logistics (KGL joint venture), and heavy-lift/oversized cargo transport.

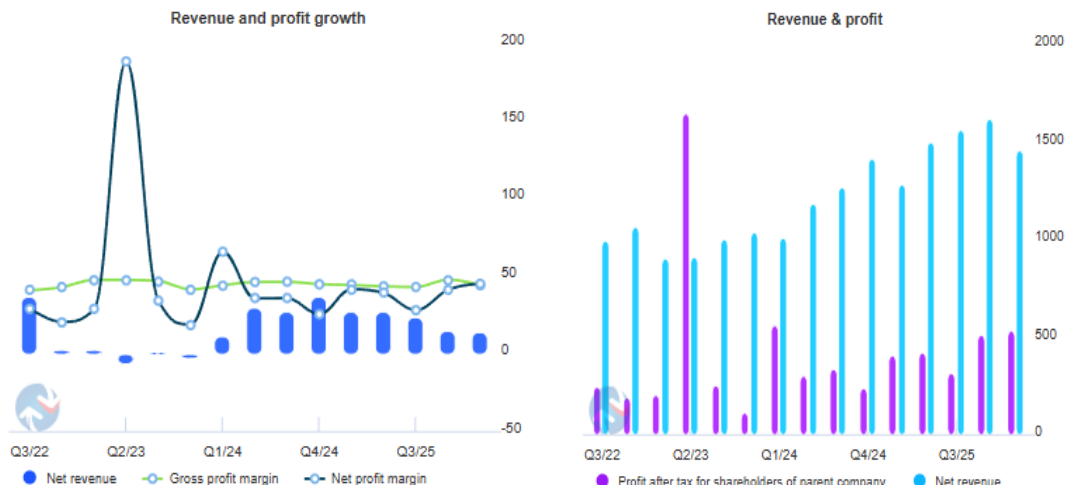
Management is currently executing a strategic pivot from a "port-centric" model to a "maritime-centric" model (a comprehensively integrated maritime ecosystem) anchored by the Hai Phong Free Trade Zone (FTZ) project. Concurrently, GMD is aggressively divesting from non-core assets (such as its rubber plantation project in Cambodia) to concentrate capital and resources on its two core business pillars.

I. Business Results:

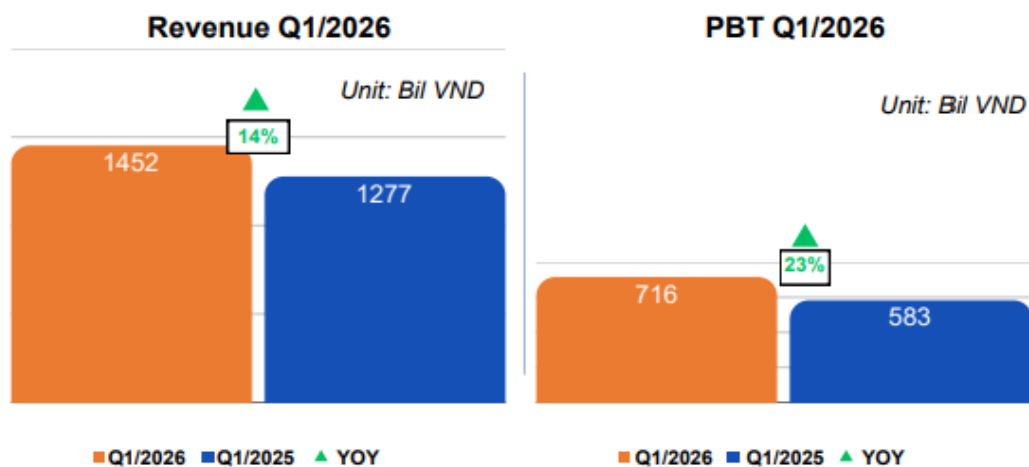
Business Results 1Q2026:

Gemadept delivered robust Q1 2026 financial results, reflecting a strong recovery in global trade and import-export activities.

- **Net Revenue:** Reached VND 1,452 billion, up 13.7% Year-on-Year (YoY).
- **Gross Profit:** Totaled VND 636 billion, growing 13.17% YoY, with the gross profit margin (GPM) maintaining stability at 43.8%. GPM faced slight downward pressure compared to Q4 2025 (47.42%) due to elevated global fuel prices and incremental outsourcing expenses.
- **Net Profit After Tax (NPAT):** Recorded at VND 650 billion (+23.11% YoY), of which NPAT attributable to shareholders of the parent company (Net Profit) surged by 32.51% YoY to VND 534 billion, achieving approximately 27% of full-year 2026 consensus forecasts.



GEMADEPT'S GROWTH RESULTS FOR Q1/2026

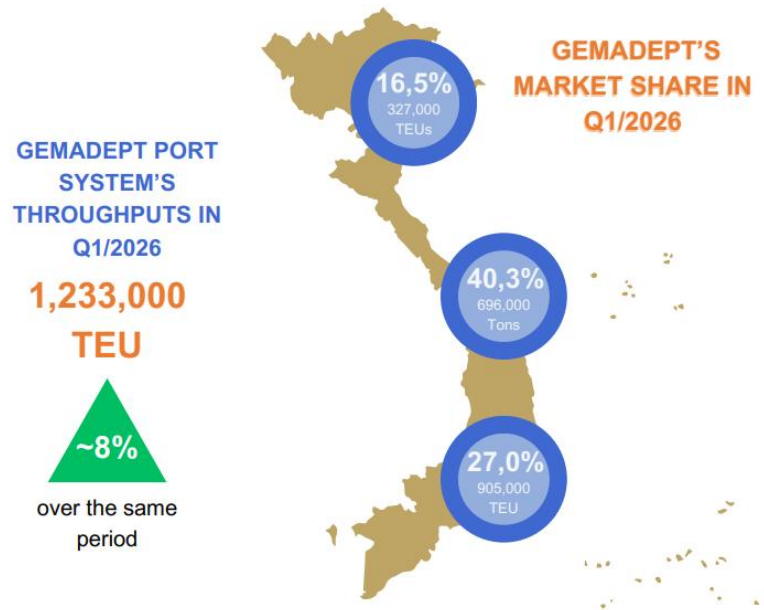


Source: vietstock.vn; gemadept.com.vn

II. Growth Drivers

A. Key Growth Drivers in Q1 2026:

- Sustained Volume Recovery in Port and Logistics Segments:** Volume growth effectively offset seasonal headwinds and localized competition in the North (where Nam Dinh Vu's throughput dipped 8.2% YoY to ~327,600 TEUs due to international service route adjustments). Conversely, Southern river ports (Binh Duong & PIP) staged a powerful breakout of 10% - 15% (reaching 269,438 TEUs, +24% YoY) by acting as a major transshipment hub for robust FDI cargo flows.



Source: gemadept.com.vn

- Strong Contributions from Joint Ventures & Associates:** This line item contributed approximately VND 312 billion (+37% YoY) to GMD. The primary catalyst was the Gemalink deep-sea port, which handled around 525,000 TEUs (~19% YoY growth) driven by an influx of cargo from Singapore. Gemalink continued to operate above its design capacity, contributing an estimated VND 360 billion in earnings.

Stock code	Company name	Net revenue	SSCK (YoY)	Net profit	SSCK (YoY)
MVN	Vietnam National Shipping Lines	6,611	77%	670	148%
GMD	Gemadept Corporation	1,452	14%	534	33%
PHP	Port of Hai Phong JS Company	745	29%	311	114%
SGP	Port of Hai Phong JS Company	294	12%	144	30%
CDN	Danang Port JS Company	503	36%	129	53%
VGR	Vip Greenport JS Company	289	13%	119	7%
PDN	Dong Nai Port JSC	376	6%	111	11%
DVP	Dinh Vu Port Investment and Development JSC	153	-4%	62	-4%
CQN	QUANG NINH PORT JSC	214	17%	44	19%
QNP	Quy Nhon Port Joint Stock Company	358	43%	42	63%

Source: Vietstock.vn

- **Turnaround in Financial Activities:** Net financial income reached VND 18 billion (a 29x increase YoY) as GMD optimized its cash management, boosting its cash and bank deposits to VND 2,836 billion (+152% YoY).

B. Mid- to long-term growth drivers

1. System-Wide Capacity Expansion (Economies of Scale)

In the Northern Region: Nam Dinh Vu Phase 3 (25 hectares, adding 650,000 TEUs/year) commenced operations at the end of 2025. This phase is projected to ramp up utilization quickly, reaching 45% - 50% capacity in 2026 and scaling to 70% - 80% in 2027 by absorbing overflow from Phases 1 & 2 alongside new service routes. Furthermore, the Hai Phong maritime channel (Ha Nam canal) completed dredging to -9.5 mCD, positioning Nam Dinh Vu as the only river port in the Cam River area capable of accommodating ultra-large vessels up to 50,000 - 55,000 DWT.

In the Southern Region: The mega-expansion of Gemalink Deep-Sea Port Phase 2 officially broke ground on April 17, 2026. The project's total investment was upwardly adjusted from VND 3,800 billion to over VND 8,361 billion, extending the berth length to 700m to accommodate 250,000 DWT vessels. Upon commissioning (expected late 2027 to early 2028), Gemalink Phase 2 will inject an additional 900,000 - 1,000,000 TEUs, raising total cluster capacity to 3 million TEUs. This will definitively resolve the "over-capacity" bottleneck (Gemalink Phase 1 is currently operating at 128% - 135% of designed berth capacity).

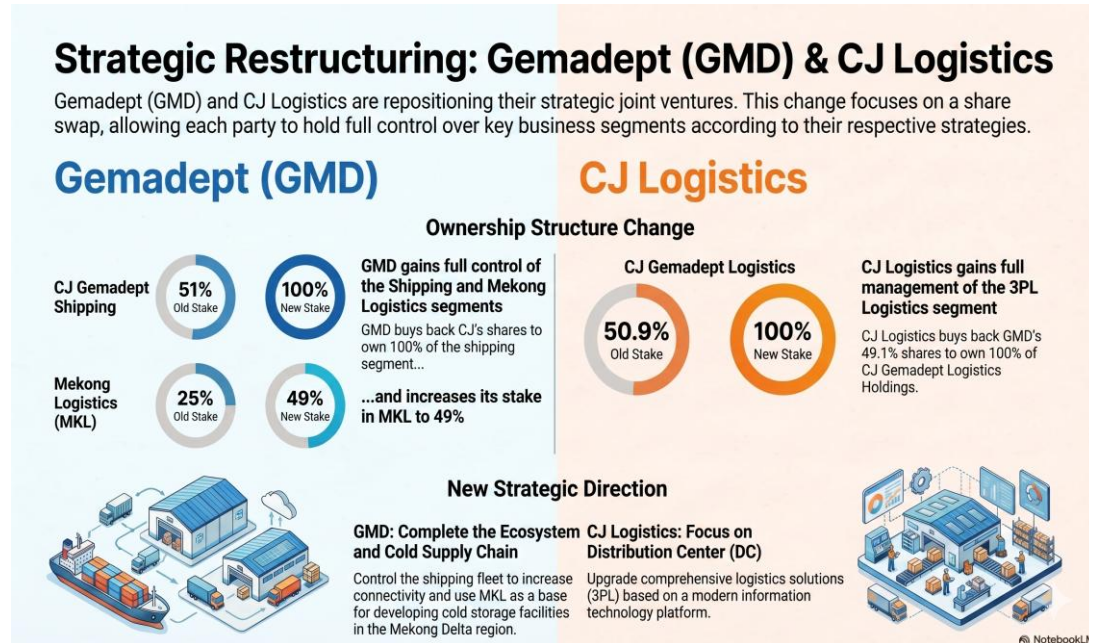
2. Upward Trend in Seaport Service Tariffs (Pricing Power)

Vietnam's deep-sea port service fees currently sit significantly below the regional average. Effective February 2026, container handling fee ceilings at deep-sea ports were raised by 10% under Decision No. 2506/QD-BXD (Ministry of Construction). With ports in the Cai Mep - Thi Vai cluster nearing or exceeding full capacity, GMD has substantial headroom to increase its Average Selling Price (ASP) by 8% - 10% in 2026. This is expected to expand Gemalink's net profit margin to 37% (+2 pps YoY). In the North, ASP is forecasted to maintain a steady annualized growth rate of 5% - 10%, supported by Nam Dinh Vu's competitive advantage in handling specialized Out-Of-Gauge (OOG) cargo.

3. Logistics Chain Restructuring and Strategic Fleet Development

Equity Swap with CJ Logistics: GMD announced a landmark portfolio restructuring in Q1 2026. GMD will divest its 49.1% stake in the 3PL (Logistics) segment to CJ Logistics, while simultaneously acquiring a 49% stake in CJ Shipping. Post-swap, GMD will gain full ownership and operational autonomy over its Shipping segment, while expecting to recognize an extraordinary, one-off financial gain of approximately VND 700 billion.

Multi-Trillion Revenue Ambitions for Shipping: GMD is capitalizing on the current oversupplied shipping market and depressed vessel valuations to initiate a new investment cycle. The 2026 capex plan allocates up to VND 916 billion to acquire 1-2 international container vessels and deploy 10 large river barges (248-298 TEUs). By 2030, GMD aims to scale its fleet by 2.5x, transforming the shipping segment into a trillion-VND profit engine for the ecosystem.



Source: 24hmoney.vn/news

4. Finalization of Non-Core Asset Divestments

GMD is actively negotiating to finalize the complete divestment of its ~30,000-hectare contiguous rubber plantation project in Cambodia over the 2026-2027 period. The transaction is anticipated to generate a massive, one-off cash inflow, clean up the balance sheet, and eliminate the investment provisioning charges that dragged down other income in 2025.

5. Short-Term Liquidity Catalysts (VNDiamond Index)

GMD shares are poised to see significant institutional inflows from ETF funds tracking the VNDiamond Index during the upcoming Q2 2026 portfolio rebalancing. ETFs are projected to net-buy approximately 2.8 million GMD shares, providing strong technical support for the stock price in the near term.

Furthermore, management has approved a FY2025 cash dividend payout ratio of 22% (equivalent to VND 2,200/share) and planned a 50% bonus share issue to boost charter capital to nearly VND 6,500 billion, enhancing stock market liquidity.

III. Risk of investment

While the growth outlook remains solid, investors should monitor several systematic and idiosyncratic risks:

- **Geopolitical Risks and Weakening Global Aggregate Demand:** Escalating tensions in the Middle East and risks of maritime strait closures could trigger inflationary pressures. Prolonged high crude oil prices would escalate vessel operating costs and dampen purchasing power in Vietnam's strategic export markets, such as the US and EU.
- **US Tariff Policy Volatility:** Uncertainties surrounding trade protectionism and the risk of retaliatory US tariffs after the expiration of the temporary 150-day waiver could disrupt cargo flows through Vietnam's port network.
- **Infrastructure Delays and Capex Execution Pressures:** Potential construction delays at Gemalink Phase 2 or licensing bottlenecks for adjacent specialized berths could constrain long-term volume growth. Additionally, rising construction material costs could inflate capital expenditures and lengthen the payback period.
- **Capacity Competition in the Hai Phong Cluster:** The structural migration of cargo flows from upstream ports on the Cam River down to downstream deep-sea ports (such as the expanding Lach Huyen terminal) places pressure on the Nam Dinh Vu cluster to defend its market share and maintain competitive handling tariffs.

IV. Valuation & recommendation

At the Annual General Meeting (AGM), management guided for FY2026 net revenue of VND 6,500 billion and profit before tax (PBT) of VND 2,800 billion under the base-case scenario. Under the optimistic scenario, revenue and PBT are projected at VND 6,800 billion and VND 3,000 billion, respectively.

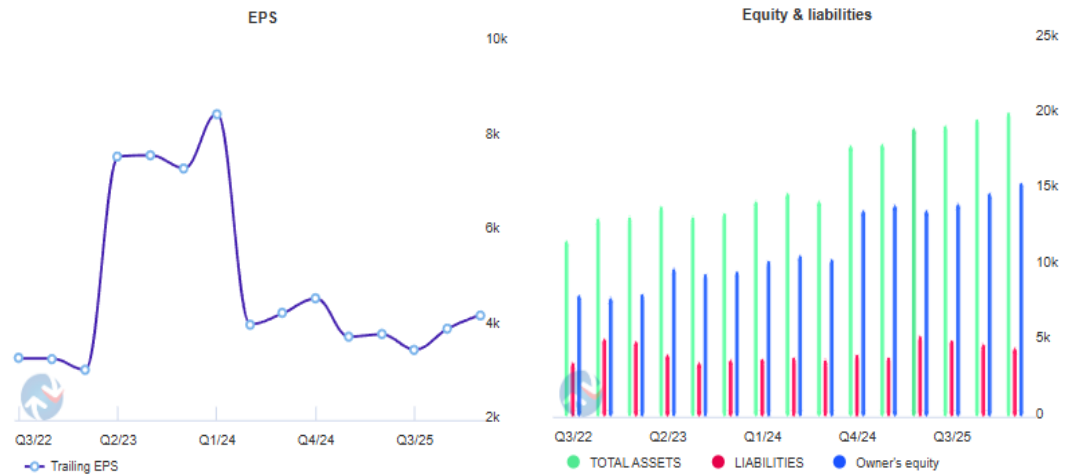


Source: Vietstock.vn

The base case implies a 9% YoY increase in revenue and an 11% YoY increase in earnings, whereas the optimistic case forecasts a 14% YoY revenue growth and a 19% YoY earnings

expansion. Accordingly, forward EPS is estimated to range between VND 5,900 - 6,400 per share.

Applying GMD's 3-year historical average P/E (2023-2025) of 16.2x yields a 12-month target price of VND 95,000 - 103,000 per share. Compared to the current market price of VND 73,300 per share (as of June 1, 2026), this represents an expected upside of 30% - 41%. Consequently, we reiterate our **OUTPERFORM** rating on GMD stock over a 1-year investment horizon.



Source: Vietstock.vn

V. Conclusion & outlook

Gemadep Corporation (GMD) reaffirms its industry leadership via a highly resilient, defensive business model capable of withstanding global macroeconomic headwinds. The earnings breakout in Q1 2026, alongside a robust pipeline of infrastructure expansions (the groundbreaking of Gemalink Phase 2 and the commissioning of Nam Dinh Vu Phase 3), initiates a new growth chapter for the 2026 - 2030 cycle.

Backed by an exceptionally healthy balance sheet (with a conservative Debt-to-Equity leverage ratio maintained at 10% - 15%), strong operating cash flows, a streamlined post-restructuring corporate framework, and enhanced pricing power aligned with rising seaport tariffs, GMD stands out as a premier value-and-growth play within the logistics infrastructure sector. We view the current market price range of VND 73,000 - 79,000 per share as an **ATTRACTIVE ACCUMULATION PRICE RANGE** for mid-to-long-term investment, targeting a market consensus fair value of VND 95,000 - 103,000 per share.

GMD's financial indicators

Indicators	2Q2025	3Q2025	4Q2025	1Q2026
Profitability ratios (%)				
ROE	3.03	2.26	3.54	3.5
ROA	2.27	1.64	2.63	2.67
Gross profit margin	43.14	42.69	47.42	43.82
Net profit margin	38.85	27.71	40.88	44.77
Growth rates (%)				
Profit before tax	32.49	2.16	109.04	22.87
Profit after tax for shareholders of the parent company	39.4	-5.92	118.83	32.57
Total assets	29.35	34.5	9.96	11.57
Owner's equity	27.46	34.76	8.05	10.41

Source: Vietstock.vn

DISCLAIMER

The information and statements contained herein, including any expression of opinion, are based upon sources believed to be reliable but their accuracy, completeness or correctness are not guaranteed. Expressions of opinion herein were arrived at after due and careful consideration and they were based upon the best information then known to us, and in our opinion are fair and reasonable in the circumstances prevailing at the time. Expressions of opinion contained herein are subject to change without notice. This document is not and should not be construed as, an offer or the solicitation of an offer to buy or sell any securities. SBS and other related companies and/or their officers, directors and employees may have positions and may have affect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for these companies. No person is authorized to give any information or to make any representation not contained in this document and any information or representation not contained in this document must not be relied upon as having been authorized by or on behalf of SBS. This document is private circulation only and is not for publication in the press or elsewhere. SBS accepts no liabilities whatsoever for any direct or consequential loss arising from any use of this document or its contents. The use of any information, statements forecasts and projection contained herein shall be at the sole discretion and risk of the users. This document is confidential and is intended solely for the use of its recipient. Any duplication or redistribution of this document is prohibited.

SBS Securities Company

Head Office

40 Pham Ngoc Thach Street, Xuan Hoa Ward, HCMC, Vietnam

Tel: +84 (28) 6268 6868

Fax: +84 (28) 6255 5957

www.sbsc.com.vn

Hanoi Branch

41-43 Pham Hong Thai Street, Ba Dinh Ward, Hanoi, Vietnam

Tel: +84 (24) 71094226

Fax: +84 (24) 3942 8075

SBS – Investment gateway