

25 Apr 2022

# Gemadept (GMD)

## AGM brief: High growth in 2022F guidance

On Apr 25<sup>th</sup>, Gemadept held its AGM session to articulate the business plan for 2022. In which, the optimistic business guidance is concentrated mainly on Gemalink and Nam Dinh Vu port's contribution.

### Solid outlook for 2022F

- GMD has increased its 2022 revenue and PBT target to VND3,850bn (+20% yoy) and VND1,200bn (+66.5% yoy), respectively. GMD plans a 12% at par cash dividend and right offer of 90:30 ratios, selling at VND20,000/share.

- In 1Q22, the company obtained VND880bn in revenue (+28% yoy), contributed by VND736bn of port operation (+26% yoy). Notably, joint venture and associate companies profit in 1Q22 reached VND126bn (+5.x yoy) leading to PAT VND319bn (+85% yoy), fulfilling 22.8%/31.7% of 2022 guidance.

- Per management, 2022 strategic projects including:

- Gemalink phase 2 with total CAPEX of USD190mn, could increase its capacity to 3mn TEUs/year and is expected to complete in 1Q25F.
- Nam Dinh Vu Port (NDV) phase 2 has started from 3Q21 and completed 25% of total works, expected to operate in 1Q23F with total CAPEX of VND2,200bn and hoped to double its total capacity to 1mn TEUs.

- In particular, the driver of GMD 2022F revenue growth is backed by:

- The benefits of positive import-export situation in 2022F
- Additional installation of 2 STS cranes, 6 e-RTG, operation of Smartport management system and expectation of Gemalink being reach full capacity in 2022F (1.5mn Teus) to expand market share in Cai Mep – Thi Vai region to 20% (+5%p yoy), per management.
- Throughput in NDV neighboring areas has reached nearly 85% designed capacity combined with the trend of moving goods from smaller ports to larger ones as well as the operation of port-logistic integration system are strong pillar for NDV's revenue growth of 20% yoy in 2022F.

- Based on 2022F guidance, 12MF PE is 20.5x and 12MF PB is 2.3x, lower than the 2-year median PE of 28.9x and PB of 2.3x.

	2018A	2019A	2020A	2021A	2022G
Sales ( VND bn)	2707.6	2642.9	2605.7	3206.3	3800.0
chg. (% YoY)	(32.1)	(2.4)	(1.4)	23.0	18.5
Operating profit (VND bn)	2259.8	741.3	496.2	861.5	
Net profit (VND bn)	1900.3	613.6	440.5	720.6	836.5
EPS (VND)	6207.0	1602.0	1149.0	1869.0	2379.1
chg. (% YoY)	216.4	(74.2)	(28.3)	62.7	27.3
EBITDA (VND bn)	880.8	910.2	878.6	1072.4	
PE (x)	8.8	32.0	45.3	25.8	20.5
EV/EBITDA (x)	20.0	19.2	19.7	15.9	
PB (x)	2.6	2.6	2.7	2.5	2.3
ROE (%)	27.1	7.9	5.6	9.0	
Dividend yield (%)	15.3	1.9	2.3	0.0	

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest

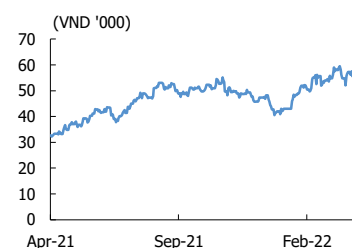
### Stock Data

VNIndex (25 Apr, pt)	1,311
Stock price (25 Apr, VND)	48,750
Market cap (USD mn)	640
Shares outstanding (mn)	301
52-Week high/low (VND)	59,500/32,181
6M avg. daily turnover (USD mn)	6.31
Free float / Foreign ownership (%)	95.9/43.3
Major shareholders (%)	
SSJ Consulting VN	9.85
Le Thuy Huong	4.88

### Performance

	1M	6M	12M
Absolute (%)	(11.0)	(2.5)	49.1
Relative to VNIndex (%p)	1.5	2.5	42.8

### Stock price trend



Source: Bloomberg

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