

13 Sep 2024

# HAI AN JSC (HAH)

## Earnings bottom are confirmed

### Higher charter rates boosted revenue and profits

- In 2Q24, HAH reported a VND949bn revenue (+55% YoY, figure 1). In particular:
  - **Vessel operation:** revenue soared to VND774bn (82% of total revenue, +55% YoY) thanks to higher self-operated transport volume results from the opening of new services (to Malaysia, Singapore, India and Long An, Thanh Hoa) as new vessels started to deliver since December 2023, together with higher container rates and time charter (T/C) rates for their leasing ships (Figure 5, 6).
  - **Port operation:** revenue increased to VND70bn (7% of total revenue, +46% YoY) resulting from (1) higher fees applied since February, (2) higher throughput volume (31% YoY, figure 4).
- Gross margin (GPM) in 2Q24 rose to 25.0% (vs 14.2% in 2Q23, figure 3) primarily through the hike in container rates. Some charter contracts were renewed and newly signed in 2Q24 with higher rates (Figure 5, 6). Operating margin (OPM) increased to 20.4% (vs 9.0% in 2Q23). Larger debt to finance fleet expansion since 4Q23 led to higher interest expenses in 2Q24 (+18% YoY) and vessels delivered in 2Q24 also added more administration expenses (+56% YoY), which lowered net profit margin (NPM) to 13.3% (vs 14.8% in 2Q23).
- Hence, NPAT-MI increased to VND112bn (+15% YoY) and confirmed that HAH's profits have bottomed at VND59bn in 1Q24 (Figure 2).
- For 6M24, HAH reported total revenue of VND1,653bn (+31% YoY) and NPAT-MI of VND171bn (-21% YoY), fulfilling 59% of the year earnings guidance.

	2019A	2020A	2021A	2022A	2023A
Sales (VND bn)	1,109	1,192	1,955	3,206	2,613
chg. (% YoY)	5.2	7.5	64.1	63.9	(18.5)
Operating profit (VND bn)	153	170	642	1,300	447
Net profit (VND bn)	133	147	551	1,041	358
EPS (VND)	2,370	2,694	8,795	11,684	3,461
chg. (% YoY)	(10.9)	13.7	226.4	32.9	(70.4)
EBITDA (VND bn)	269	309	793	1,586	850
PE (x)	8.7	21.9	3.8	3.3	11.5
EV/EBITDA (x)	4.0	10.1	2.9	2.6	6.9
PB (x)	1.0	2.7	1.0	1.2	1.6
ROE (%)	12.4	13.4	34.0	42.6	15.5
Dividend yield (%)	4.9	1.7	3.0		

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

12M rating **NON-RATED**

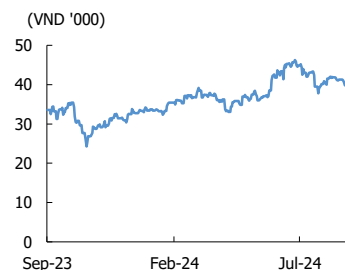
#### Stock Data

VNIndex (13 Sep, pt)	1,252
Stock price (13 Sep, VND)	39,250
Market cap (USD mn)	194
Shares outstanding (mn)	121
52-Week high/low (VND)	46,250/24,261
6M avg. daily turnover (USD mn)	6.39
Free float / Foreign ownership (%)	48.5/8.1
Major shareholders (%)	
Hai Ha Investment & Transport	16.8
TM Holding Fund Company Limited	4.4
Multimodal Transport Agent	3.4

#### Performance

	1M	6M	12M
Absolute (%)	(3.4)	2.1	18.8
Relative to VNIndex (%p)	(5.5)	2.4	15.8

#### Stock price trend



Source: Bloomberg

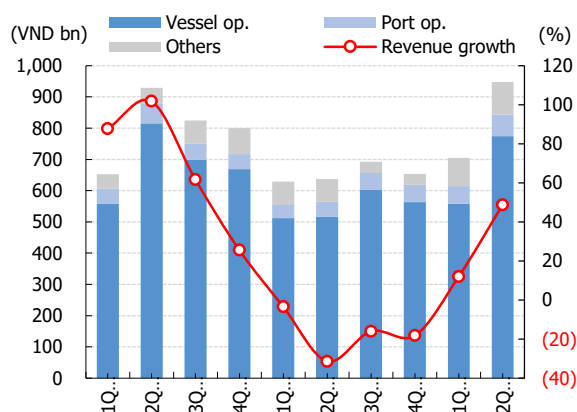
#### Research Dept

researchdept@kisvn.vn

### New vessels were delivered “on time”

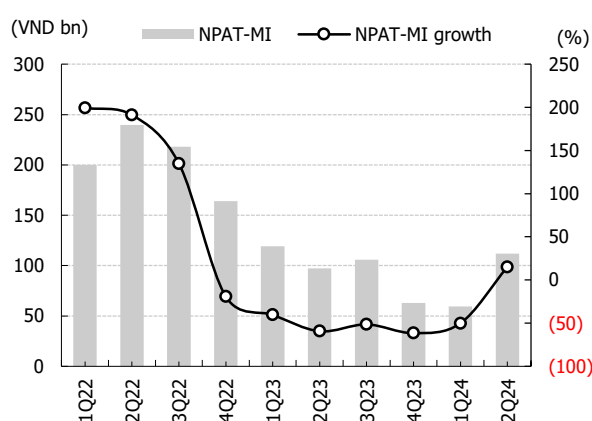
- The Red Sea crisis and port congestion in Singapore interrupted global container circulation and pushed the China Containerized Freight Index (CCFI) to double since January (Figure 5). However, the latest data from Liner Analytics shows that the capacity anchored at Singapore has declined significantly since July, which suggests softer container rates.
- HAH received 3 new vessels from April to July and all 3 were for lease when T/C rates surged (Figure 6). HAH’s fleet currently has 15 vessels (+25% vs end of 2023) with total capacity of more than 23k TEUs. 2 contracts expired by end of 2Q24, 1 by September, and 1 by October. We believe the Red Sea Crisis couldn’t be resolved in no time and HAH can renew the contracts at higher rates, which have positive impact on 3Q24 and 4Q24 earnings.

**Figure 1. 2Q24 revenue up 55% yoy as vessel operation segment doubled**



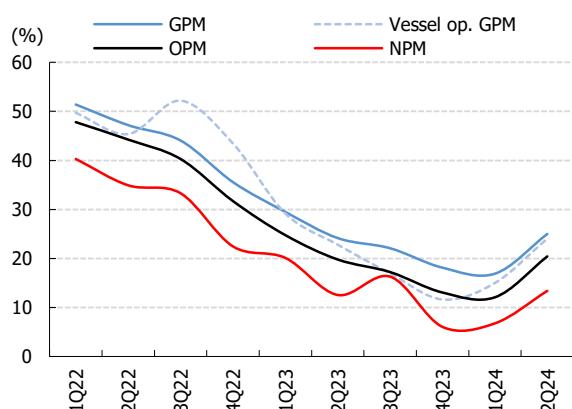
Source: Company data, KISVN

**Figure 2. NPAT-MI up 15% yoy, confirming profits have bottomed in 1Q24**



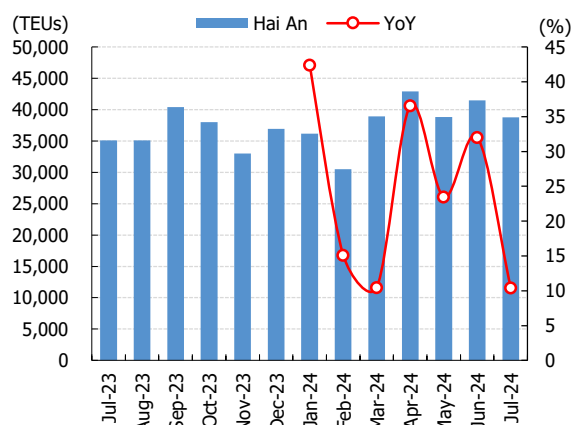
Source: Company data, KISVN

**Figure 3. Vessel op. GPM in 2Q24 recovered at 24.0% vs 8.0% in 2Q23**



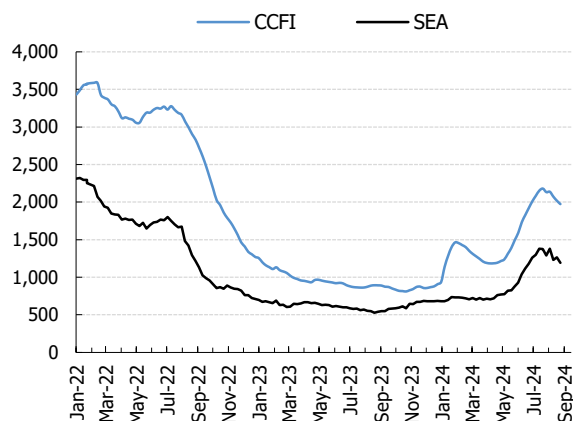
Source: Company data, KISVN

**Figure 4. Throughput volume in 2Q24 up 31% YoY as trade activities remain strong**



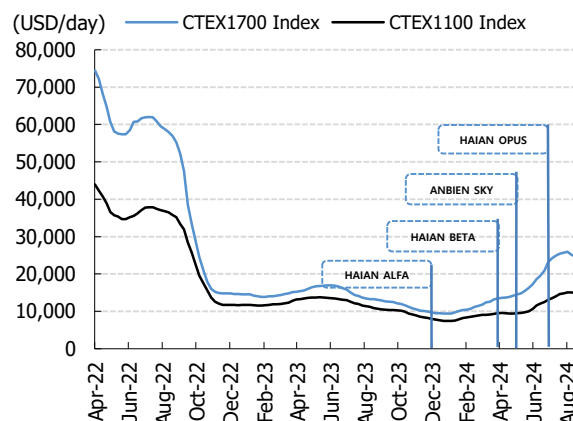
Note: Data in 2Q23 is incomplete and based on our estimate  
Source: VPA, KISVN

**Figure 5. The port congestion in Singport eased and the container index declined**



Note: SEA = services to South East Asia; Data as of Aug 30, 2024  
Source: SSE, KISVN

**Figure 6. T/C rates have increased 156% and 99% for 1,700 TEU and 1,100 TEU vessel since January**



Note: Data as of Aug 30, 2024  
Source: Bloomberg, KISVN

■ **Company overview**

Hal An Transport and Stevedoring JSC (HAH), was established in 2009. HAH specializes in port operation vessel agency, and vessel operation. HAH owns the largest container fleet in Vietnam of 15 vessels with total capacity of over 23 thousand TEUs.

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Prepared by: Research Dept

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