

22 Jan 2025

# VOSCO JSC (VOS)

## Lower freight rates dampened 4Q24 profit

### Weak earnings as expected

- In 4Q24, VOS reported a VND1.32tn revenue (+4% QoQ, +45% YoY). In particular:
  - **Commercial segment:** revenue surged to VND845bn (64% of total revenue, +9% QoQ, +106% YoY). This strong growth is likely attributed to a low base effect in 3Q24, as this segment commenced operations in 2Q23.
  - **Shipping:** revenue inched down to VND477bn (36% of total revenue, -3% QoQ, -4% YoY). VOS's primary shipping segments faced challenges of freight rates. Specifically: (i) average dry bulk rates in 4Q24 plunged following stabilization during 3Q24 (spot: -19% YoY, T/C: -1% YoY, figure 1) and (ii) average product tanker rates quieted in 4Q24 after strong fluctuation in 9M24 (spot: -40% YoY, T/C: -19% YoY, figure 2)<sup>1</sup>. The modest decline in revenue can be interpreted in very high carried tonnage in 4Q24.
- VOS's ship depreciation increase to VND95bn (-18% QoQ, +75% YoY) after adjustments in 2Q24 and weaker freight rates dampened its profitability. VOS gross profit margin (GPM) narrowed to 1.1% (-0.8%p QoQ, -4.6%p YoY) (Figure 5, 6). Higher SG&A costs in 4Q24 (+42% YoY) led to VND37bn OP loss and negative OPM of -2.8% (-2.2%p QoQ, -4.5%p YoY).
- VOS didn't incurred any interest expenses in 4Q24, and had a VND26bn gains in exchange rates as USD/VND rate rebounded, which resulted in VND35bn profit (1.8x vs 4Q23) in financial activities.
- At the bottom line, VOS recorded VND9bn NPAT loss (-70% YoY). For the year 2024, revenue and NPAT soared by 74/116% YoY to VND5.56tn/VND335bn (fulfilling 228/129% of the full-year company guidance)

	2020A	2021A	2022A	2023A	2024A
Sales (VND bn)	1,281	1,424	2,420	3,189	5,576
chg. (% YoY)	(8.6)	(17.1)	11.1	70.0	74.9
Operating profit (VND bn)	(260)	354	531	81	25
Net profit (VND bn)	(187)	490	488	155	335
EPS (VND)	(1,338)	3,502	3,485	1,110	2,395
chg. (% YoY)	(466.7)	-	(0.5)	(68.2)	115.8
EBITDA (VND bn)	(2,409)	(2,914)	(3,384)	(115)	430
PE (x)	(3.1)	5.2	2.9	10.9	6.5
EV/EBITDA (x)	(31.52)	(24.69)	(21.93)	(711.27)	3.9
PB (x)	1.1	2.5	0.9	1.0	1.1
ROE (%)	(30.8)	64.6	38.5	9.7	18.3
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0

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

<sup>1</sup> dry vessels currently account for 64% of its total fleet tonnage

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12M rating **NON-RATED**

### Stock Data

VNIndex (22 Jan, pt)	1,243
Stock price (22 Jan, VND)	15,500
Market cap (USD mn)	86
Shares outstanding (mn)	140
52-Week high/low (VND)	21900/9900,
6M avg. daily turnover (USD mn)	1.58
Free float / Foreign ownership (%)	49/1
Major shareholders (%)	
Vietnam Maritime Corporation	51.0
PYN Elite Fund (non-ucits)	4.9
Vietnam Southern Food Corp	2.1

### Performance

	1M	6M	12M
Absolute (%)	(8.0)	(6.9)	33.6
Relative to VNIndex (%p)	(6.9)	(6.8)	26.7

### Stock price trend



Source: Bloomberg

### Research Dept

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## 2025F – Challenges ahead

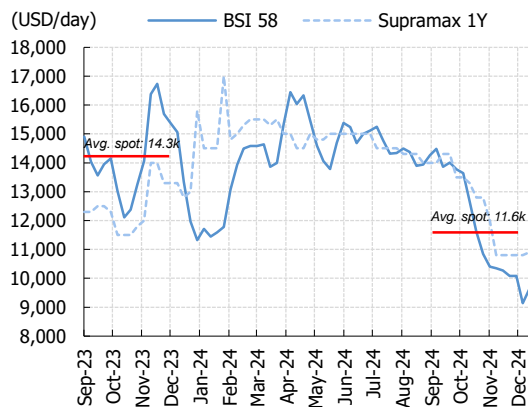
- As previously [reported](#), BIMCO anticipated a balanced supply-demand dynamic in the product tanker market, contrasting with weaker demand in the dry bulk sector. Since then, dry bulk rates have plummeted to a one-year low, while product tanker rates have shown stability.
- Latest report from Banchemo Costa indicates rising prices of newbuilding and secondhand vessels. We maintain a cautious stance regarding VOS's fleet renewal strategy due to two key factors: (1) their prior chartering of two vessels (Dai Hung and Dai Thanh) at exceptionally high rates, which proved ill-timed, and (2) the likely reliance on debt financing for investment, which would strain profits during unfavorable market conditions.

**Table 1. Quarterly earnings snapshot in 4Q24**

	(VND bn, %, %p)						
	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ	YoY
Sales	910	1,097	1,872	1,270	1,322	4.2	45.3
OP	15	67	(63)	(7)	(37)	-	(350.3)
OP margin	1.6	6.1	(3.4)	(0.6)	(2.8)	(2.2)	(4.5)
EBT	139	83	344	(14)	5	-	(96.5)
NP	105	75	284	(14)	(9)	-	(108.6)

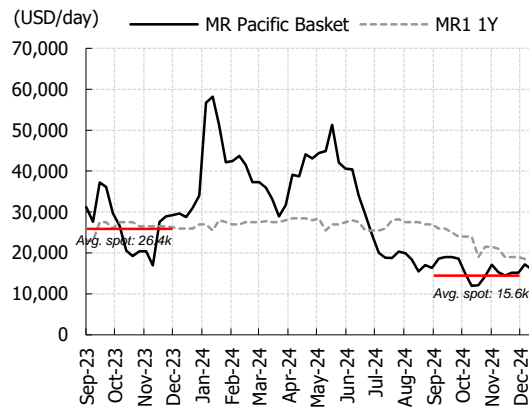
Source: Company data, FiinproX, KIS Research

**Figure 1. Dry bulk charter rates in 4Q24 (spot -19% YoY, T/C -2% YoY)**



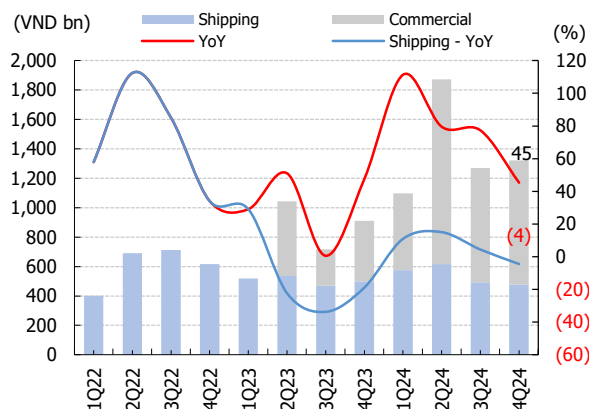
Note: Supramax = 40k-65k DWT  
Source: Banchemo Costa Research, KIS Research

**Figure 2. Product tanker charter rates in 4Q24 (spot -20%, T/C -19% YoY)**



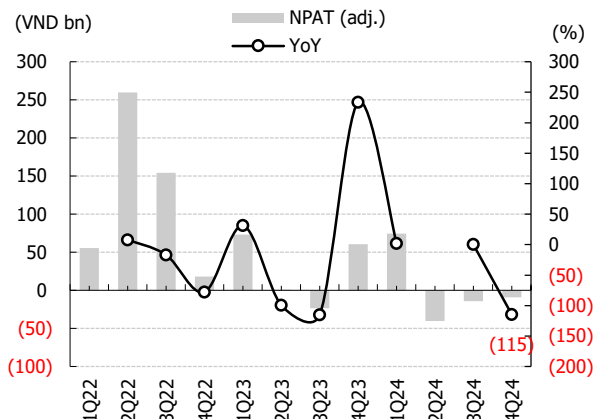
Note: MR1 = 30k-42k DWT  
Source: Banchemo Costa Research, KIS Research

**Figure 3. Shipping slowed down (-4% YoY), most of revenue growth was from commercial (+106% YoY)**



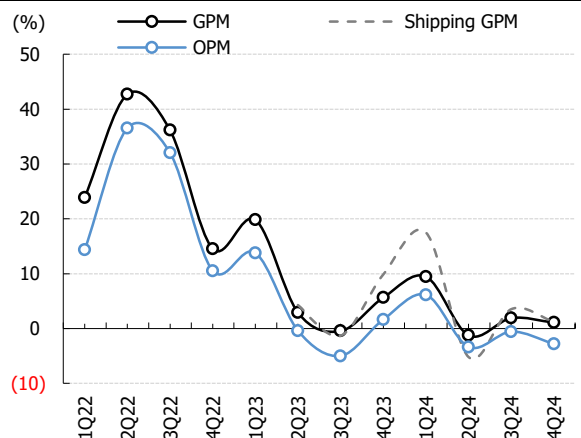
Source: Company data, KIS Research

**Figure 4. NPAT recorded a loss but improved on both YoY and QoQ basis**



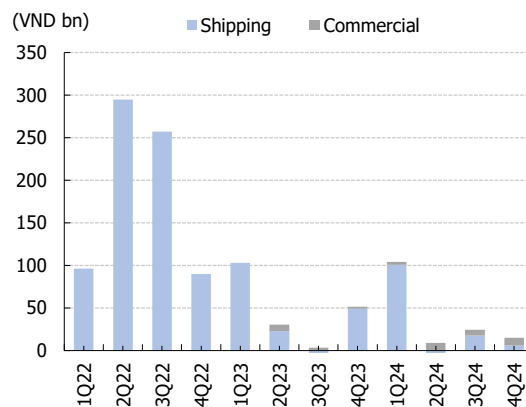
NPAT is adjusted by excluding gains from vessel liquidation.  
Source: Company data, KIS Research

**Figure 5. Shipping GPM narrowed to 1.1% (-2.2%p QoQ, -4.5%p YoY)**



Source: Company data, KIS Research

**Figure 6. The commercial segment contribute more than shipping GP in 4Q24's GP**



Source: Company data, KIS Research

**■ Company overview**

Vietnam Ocean Shipping JSC (VOS), a member of VIMC, was established in 1970. VOS specializes in sea transportation and other marine services such as vessel agency, training and supplying seafarers. VOS own a fleet of 13 vessels including 7 bulk dry ships, 4 product tankers and 2 container ships.

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