

23 May 2025

VOSCO JSC (VOS)

Unfavorable time

Weak earnings as expected

- In 1Q25, VOS reported a VND462bn revenue (-65% QoQ, -58% YoY). In particular:
 - *Commercial segment*: revenue dropped to zero (-100% YoY), Management did not provide specific details but noted that revenue from this segment is expected to resume from 2Q25.
 - *Shipping*: revenue down to VND477bn (100% of total revenue, -6% QoQ, -20% YoY). Despite an increase in fleet tonnage, revenue was pressured by a weak market and falling rates in both dry bulk (spot -35% YoY, T/C -25% YoY) and product tanker (spot -51%, T/C -30% YoY) segments (figure 1, 2).
- Gross profit in 1Q25 dropped to VND35bn (-133% YoY) and GPM turned negative at -34.8% (-64.2%p QoQ, -138.7%p YoY) due to compressed freight rates and increased depreciation expenses (+81% YoY) from 2 new vessels and the adoption of accelerated depreciation since last year.
- Although SG&A expenses were lower (VND27bn, -27% YoY), OPM still declined to -13.3% (-1.1%p QoQ, -3.3%p YoY) as affected by negative GPM.
- New investments have led to additional debt and a rise in interest expenses, from 0 to VND3bn.
- Net profit came in at a loss of VND54bn (-165% YoY).

Challenges ahead

- Dry bulk rates saw some recovery from February to March, driven by shifts in agricultural products trade flows that boosted demand. However, the product tanker market remained weak throughout 1Q25. BIMCO expects continued fleet growth in both dry bulk and product tanker markets in 2025, driven by a large order book and scheduled deliveries, which may keep outpacing demand and exert further pressure on freight rates.

	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

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12M rating

NON-RATED

Stock Data

VNIndex (23 May, pt)	1,309
Stock price (23 May, VND)	13,900
Market cap (USD mn)	75
Shares outstanding (mn)	140
52-Week high/low (VND)	21,900/11,250
6M avg. daily turnover (USD mn)	1.45
Free float / Foreign ownership (%)	48.9/1.5
Major shareholders (%)	
Vietnam Maritime Corporation	51.0
PYN Elite Fund (non-ucits)	4.9
Vinafood 2	2.1

Performance

	1M	6M	12M
Absolute (%)	0.0	(6.1)	(13.1)
Relative to VNIndex (%p)	(8.6)	(13.6)	(17.3)

Stock price trend



Source: Bloomberg

Research Dept

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- VOS plans to continue expanding its fleet in 2025. In the context of weakening rates and the ongoing use of accelerated depreciation, we anticipate further pressure on shipping segment profitability in 2Q25F. Management anticipates the liquidation of Vosco Star in 2Q25F, and potential gains from this sale could help ease the financial burden from recent investments and partially offset the impact of the currently weak market.

Table 1. Quarterly earnings snapshot in 1Q25

(VND bn, %, %p)

	1Q24	2Q24	3Q24	4Q24	1Q25	QoQ	YoY
Sales	1,097	1,872	1,270	1,337	462	(65.4)	(57.9)
OP	67	(63)	(7)	(22)	(62)	-	(192)
OP margin	6.1	(3.4)	(0.6)	(1.7)	(13.3)	(1.1)	(3.3)
EBT	83	344	(14)	5	(54)	(1,225)	(165)
NP	75	284	(14)	(9)	(54)	-	(172)

Source: Company data, FiinproX, KIS Research

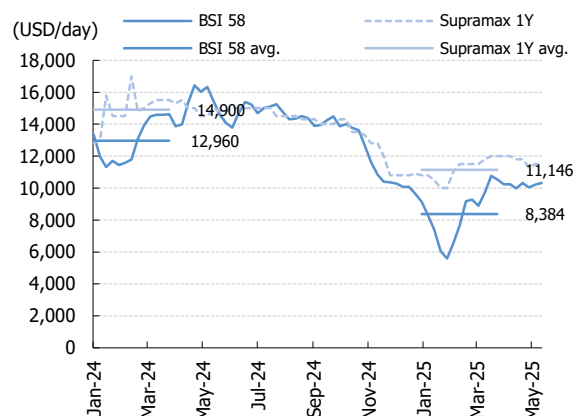
Figure 1. Dry bulk rates in 1Q25 (spot -35% YoY, T/C -25% YoY)

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

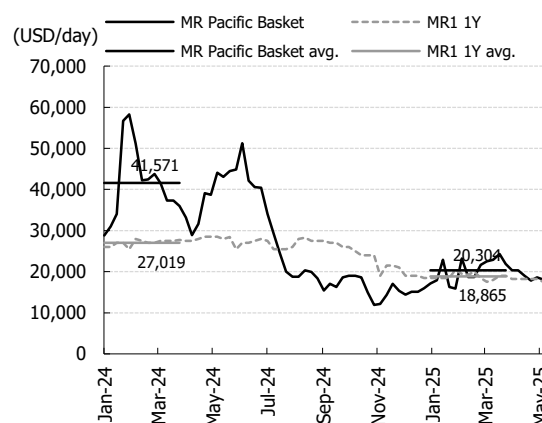
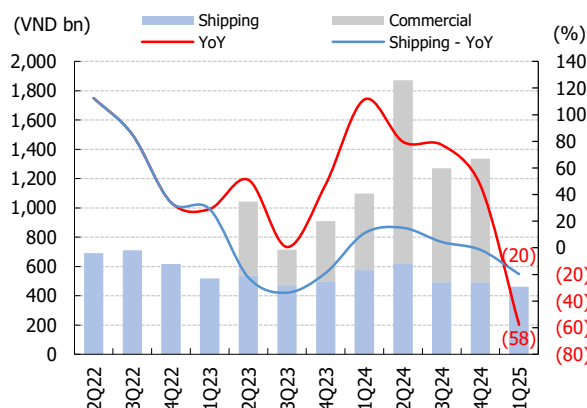
Figure 2. Product tanker rates in 1Q25 (spot -51%, T/C -30% YoY)

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

Figure 3. Shipping revenue plunged 20% YoY due to weak market


Source: Company data, KIS Research

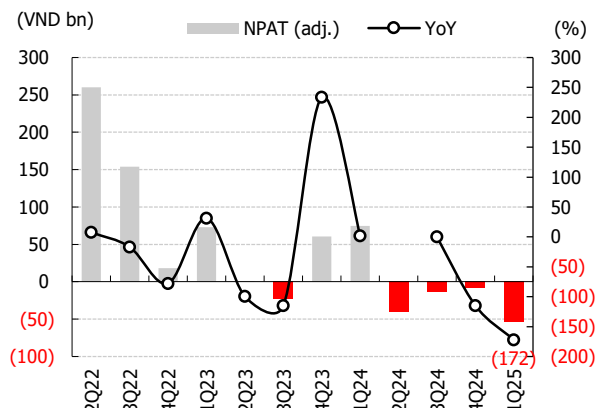
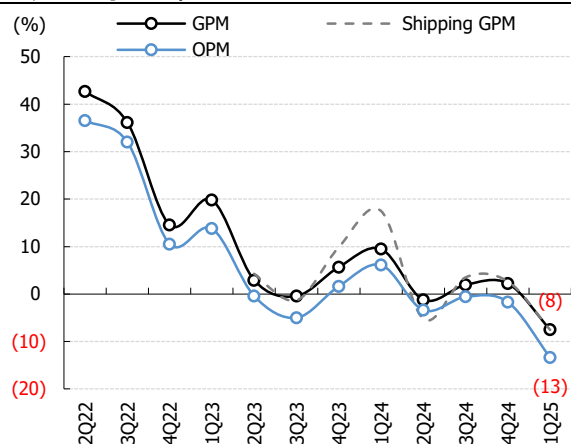
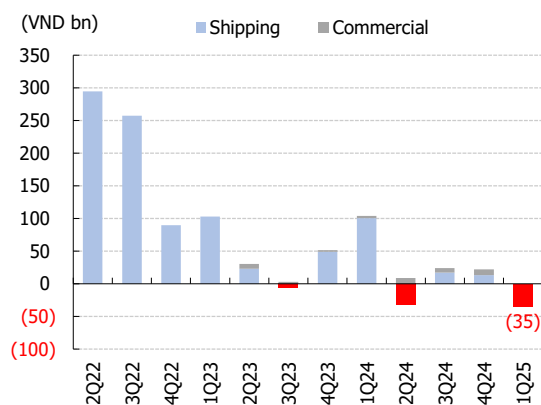
Figure 4. NPAT recorded a loss but improved on both YoY and QoQ basis

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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