November 11th, 2025

Shinhan Securities

Deo Ca Traffic Infrastructure Investment JSC

[Vietnam / Construction]

Bloomberg Code (HHV VN) | Reuters Code (HHV.HM)

BUY

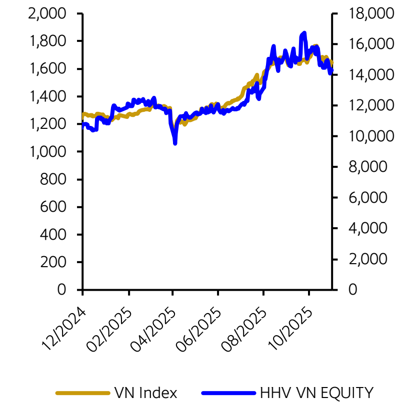
Initiation Coverage

Target price (12 months)	**18,200 VND**
Current price (11/11/25)	13,350 VND
Upside/downside (%)	36%

VNINDEX	1,593
HNXINDEX	261
Market Cap (bn VND)	6,640
Outstanding shares (mn)	497
Free-Floating (mn)	422
52-Wk High/Low (VND)	17,350/9,257
90-day avg. trading volume (mn)	14.83
90-day avg. turnover (bn VND)	223

Major shareholders (%)	Hai Thach B.O.T Investment JSC	14.68%
	Northern Infrastructure Investment JSC	7.84%

Performance	3T	6T	12T
Absolute (%)	10.4	-7.3	36.3
Relative to VN-Index (%)	7.5	-7.7	22.0



Tien Le - Analyst

☎ (84-28) 6299-8011
✉ tien.ld@shinhan.com

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Sustainable growth amid investment wave

Initiate coverage with BUY call and target price of VND 18,200

Deo Ca Infrastructure Investment Joint Stock Company (HHV) was established in 1974, originally known as "Thong Nhat Workshop" under Construction Committee 67. HHV is one of Vietnam's leading investors, operators, and contractors in transportation infrastructure projects. With six BOT infrastructure projects generating stable cash flows and a construction backlog of approximately VND 2,561 billion, the company maintains strong revenue visibility. We initiate coverage on HHV with a target price of VND 18,200, implying an upside potential of 36%. Our valuation is based on the Sum-of-the-Parts (SOTP) methodology.

Accelerated public investment capital drives infrastructure construction growth

According to estimates from the Ministry of Finance, total public investment expenditure in 2025 is expected to reach approximately VND 1.08 quadrillion, representing a 22% increase YoY. Meanwhile, the medium-term public investment plan for the 2026–2030 period is set at VND 8.31 quadrillion, up 144% compared to the 2021–2025 period. The Government's ongoing push for infrastructure development is expected to remain a key growth catalyst for HHV, enabling the company to directly benefit from participation in BOT projects, while also expanding the scale and revenue of its construction segment in the transportation infrastructure sector.

The BOT toll collection segment maintains stable growth, supported by increasing traffic volume and rising toll rates

With BOT toll rates adjusted upward by an average of 5%–6%, coupled with a steady increase in domestic traffic volume, HHV's BOT toll collection segment is expected to maintain strong revenue growth of approximately 15%–20% in the coming years, providing the company with a stable and recurring income stream.

Positive long-term outlook supported by strong backlog and rising infrastructure investment demand

HHV's total construction backlog is estimated at VND 2,561 billion, primarily contributed by key projects such as the Dong Dang – Tra Linh Expressway and the Ho Chi Minh City – Thu Dau Mot – Chon Thanh Expressway. We believe HHV's infrastructure construction revenue will remain elevated during the 2025–2027 period, supported by the government's ongoing push for public investment in the medium term.

We forecast HHV's revenue to reach VND 3,609 billion (+9% YoY) in 2025 and VND 4,008 billion (+11% YoY) in 2026. Net profit after tax is projected to increase to VND 662 billion (+34% YoY) in 2025 and VND 934 billion (+41% YoY) in 2026.

Risks: (1) Delays in public investment project implementation; (2) Volatility in construction material prices; (3) Rising interest rates.

Year to Dec.	2024	2025F	2026F	2027F	2028F
Revenue (bn VND)	**3,308**	**3,609**	**4,008**	**4,463**	**4,864**
OP (bn VND)	1,269	1,437	1,652	1,898	2,117
NP (bn VND)	**495**	**662**	**934**	**1,172**	**1,395**
EPS (VND)	1,025	1,146	1,616	2,030	2,415
BPS (VND)	22,749	20,172	21,788	23,818	26,233
OPM (%)	38.37	39.81	41.21	42.52	43.53
NPM (%)	14.97	18.34	23.29	26.27	28.67
ROE (%)	**5.04**	**5.90**	**7.84**	**9.15**	**10.02**
PER (x)	11.36	12.04	8.54	6.80	5.72
PBR (x)	0.73	0.68	0.63	0.58	0.53
EV/EBITDA (x)	14.61	14.20	12.66	11.25	10.21

Source: Company data, Shinhan Securities Vietnam

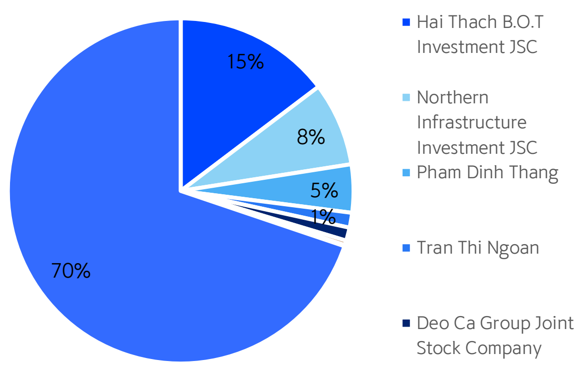
Contents

Company background

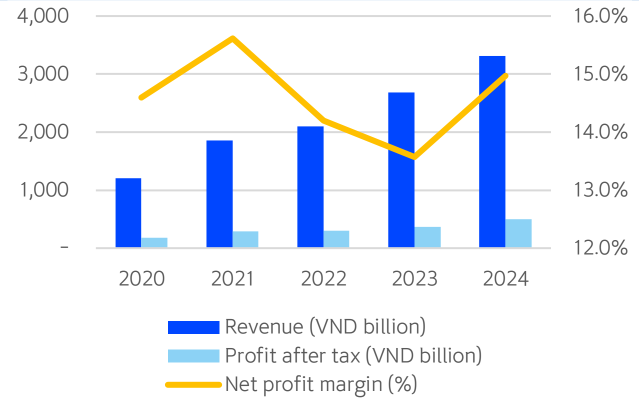
Company history

Deo Ca Traffic Infrastructure Investment Joint Stock Company (HoSE: HHV) was established in 1974, formerly known as "Thong Nhat Workshop" under Construction Committee 67. On January 2, 2014, the company was officially converted into a joint stock company. On November 24, 2015, HHV's shares were first approved for trading on the UPCoM market under the ticker symbol HHV. Subsequently, on December 23, 2021, HHV shares were approved for listing on the Ho Chi Minh City Stock Exchange (HoSE) under Decision No. 717/QĐ-SGDHCM.

HHV's shareholder structure as of Q3/2025 (%)



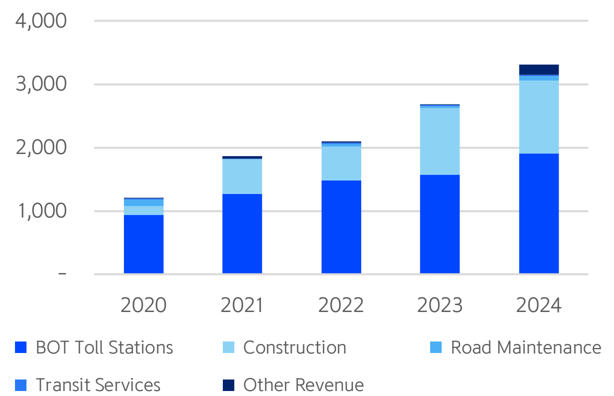
HHV's business results from 2020 - 2024 (billion VND)



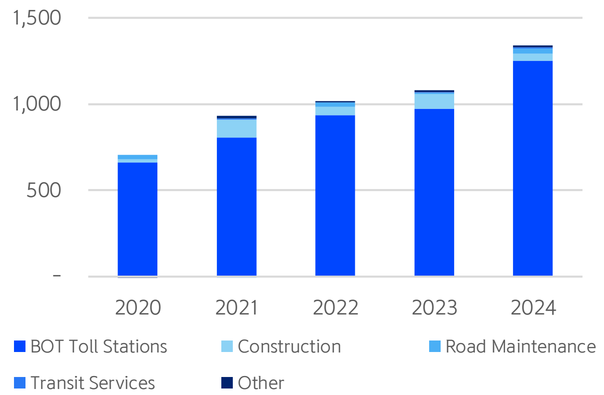
Source: Company report, Shinhan Securities Vietnam

HHV is majority owned by Hai Thach B.O.T Investment JSC (holding 15%, represented by Mr. Vo Thuy Linh – Member of the Board of Directors) and Northern Infrastructure Investment JSC (holding 8%, represented by Mr. Nguyen Van Giap). Institutional investors account for 24% of the shareholder structure.

HHV's revenue structure from 2020 - 2024 (billion VND)



HHV's gross profit structure from 2020 - 2024 (billion VND)



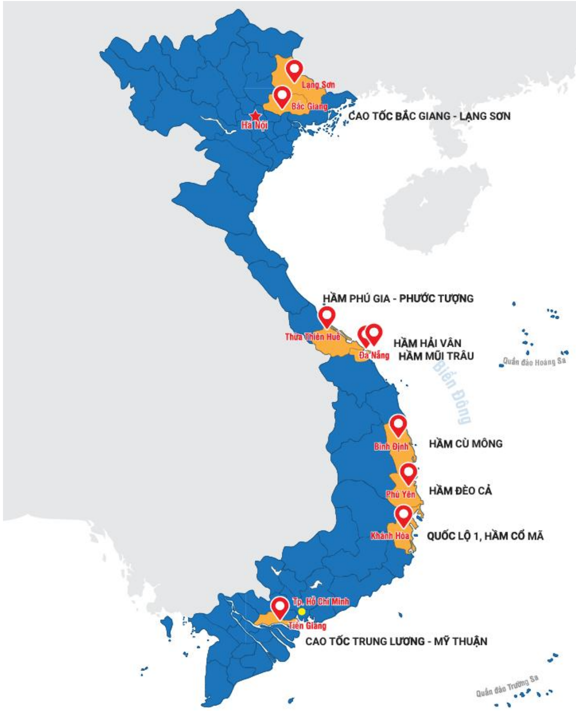
Source: Company report, Shinhan Securities Vietnam

HHV is one of Vietnam's leading investors and operators in transportation infrastructure projects. The company primarily operates through BOT road infrastructure investments, which contribute approximately 58% of total revenue and 93% of gross profit, along with road construction activities, accounting for around 35% of revenue and 3% of gross profit.

Toll collection segment of BOT projects

Some outstanding projects of HHV

Location of HHV projects



Source: Company report, Shinhan Securities Vietnam

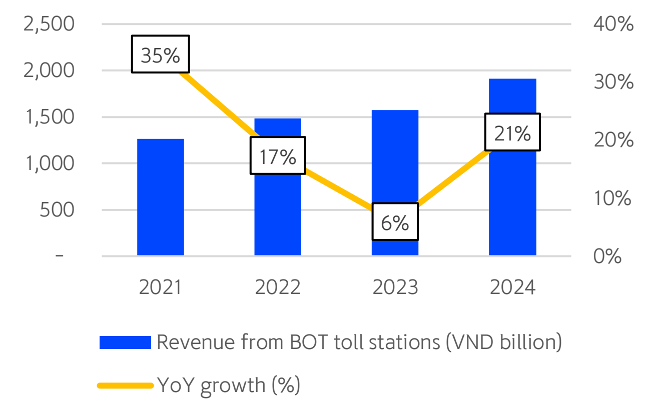
As of 2024, Deo Ca Traffic Infrastructure Investment JSC (HHV) has been directly participating in six transportation infrastructure projects under the PPP model through BOT contracts. Among these, five projects have already been completed and are currently in stable operation. The company is presently investing in and constructing the Dong Dang – Tra Linh Expressway project in Cao Bang province. HHV currently operates and owns 18 BOT toll stations, managing approximately 470 km of expressways and national highways, along with 31 km of road tunnels.

No	Project Name	Total investment (TMDT)	Collection period	Project scale	Project Location	HHV's capital participation (billion VND)	Benefit ownership (%)
1	Phuoc Tuong – Phu Gia Road Tunnel	Total investment: 1,559,000 billion VND– Equity capital: 262 billion VND– Loan capital: 1,297 billion VND	19 years (2016–2035)	Phuoc Tuong Tunnel 357 m, 2-way access road and bridge on the route with a total length of 4.1 km. Phu Gia Tunnel 447 m, 2-way access road and bridge on the route with a total length of 2.6 km.	Hue City	294	99.37%
2	National Highway 1 Expansion – Khanh Hoa Province	Total investment: 2,644 billion VND– Equity capital: 339 billion VND– Loan capital and other: 2,305 billion VND	21 years 8 months (2016–2038)	Total project length is about 37.7 km	Khanh Hoa Province	122	47.42%
3	Road Tunnel through Deo Ca (Deo Ca, Co Ma, Cu Mong, Hai Van Tunnels)	Total investment: 18,904 billion VND– State budget capital: 4,776 billion	27 years 5 months (2018–2046)	Deo Ca Tunnel: 4.1 kmCo Ma Tunnel: 500 mCu Mong Tunnel: 2.6 kmHai Van Tunnel: 6.29 km	Khanh Hoa Province;	1,748	74.24%

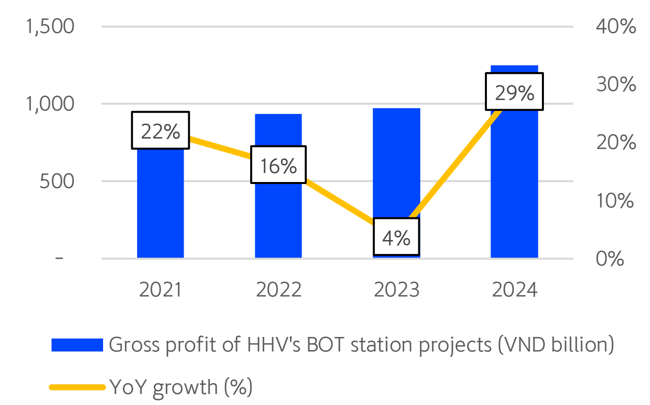
		VND– BOT capital: 14,127 billion VND			Gia Lai; Hue City; Da Nang		
4	Bac Giang – Lang Son Expressway	Total investment: 12,188 billion VND– Equity capital: 1,645 billion VND– Loan capital: 10,543 billion VND	28 years 7 months (2020–2049)	Bac Giang - Lang Son Expressway is 63.86 km long, National Highway 1 is 110.2 km	Bac Ninh Province; Lang Son	1,165	31.60%
5	Dong Dang – Tra Linh Expressway	Total investment: 14,114 billion VND– State budget capital: 8,090 billion VND– Equity capital and other loans: 3,510 billion VND	22 years 4 months (2026–2048)	Total route length is 93.35 km	Lang Son Province; Cao Bang	109	42.31%
6	Cam Lam – Vinh Hao Expressway	Total investment: 8,925 billion VND– State budget capital: 5,139 billion VND– BCC capital: 514 billion VND– Capital Equity: 391 billion VND - Other loans: 2,756 billion VND	17 years (2024–2041)	Total route length is 78.5 km	Khanh Hoa Province; Lam Dong	BCC capital: 514 Equity: 391	38.00%

Source: Company report, Shinhan Securities Vietnam

Revenue of HHV's BOT station projects in the period 2021 - 2024



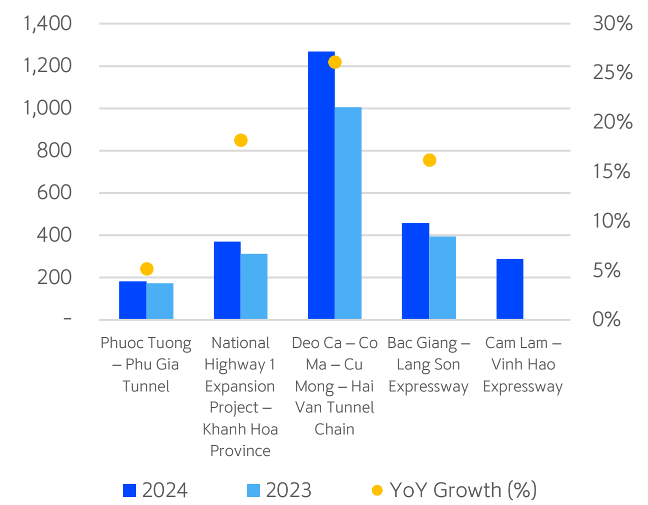
Gross profit of HHV's BOT station projects in the period 2021 - 2024



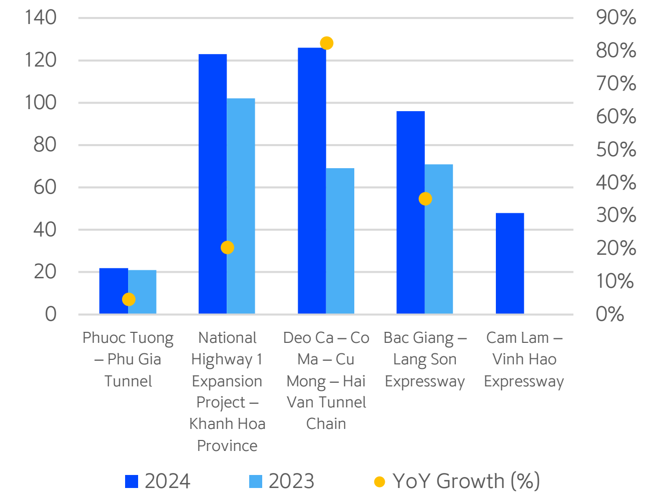
Source: Company report, Shinhan Securities Vietnam

Revenue from toll collection services at BOT stations recorded stable growth of approximately 20% per year during the 2021–2024 period, contributing the majority of the company's gross profit, accounting for over 90% of the total gross profit structure. The average gross margin of toll stations remained stable at around 65% during this period.

Revenue of HHV's BOT projects (billion VND)



Profit after tax of HHV's BOT projects (billion VND)

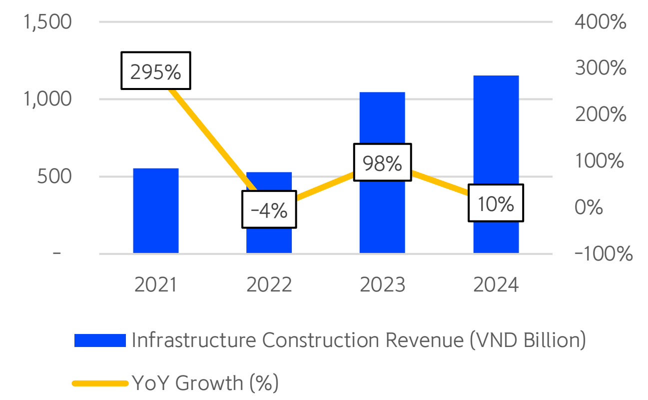


Source: Company report, Shinhan Securities Vietnam

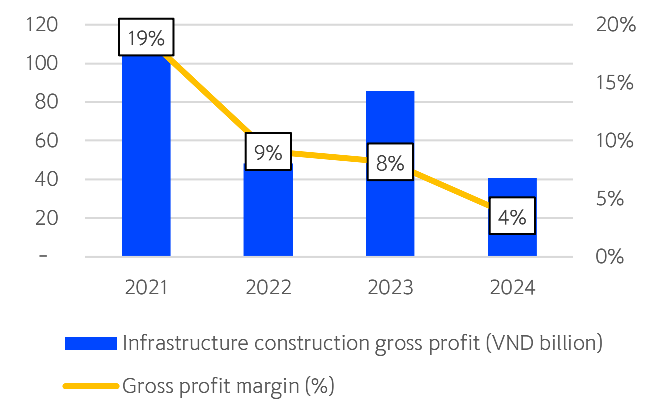
In 2024, HHV's BOT project revenue maintained positive growth, driven by a solid increase in traffic volume through toll stations (averaging around 10%) and an upward adjustment in toll rates compared to the same period last year.

Infrastructure Construction Segment

HHV's infrastructure construction revenue (billion VND)



Gross profit of HHV's infrastructure construction segment (billion VND)



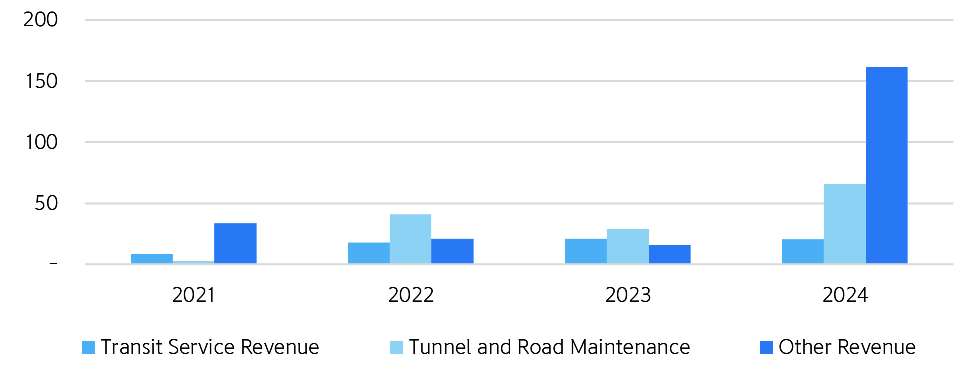
Source: Company report, Shinhan Securities Vietnam

With over 45 years of establishment and development, Deo Ca Traffic Infrastructure Investment JSC (HHV) possesses a solid foundation and extensive experience in transportation construction and installation. The company is recognized for its outstanding construction capabilities, particularly in large-scale and technically demanding projects such as road tunnels, expressways, and major bridges.

HHV's infrastructure construction segment has maintained strong growth, with a compound annual growth rate (CAGR) of 69%, in line with the government's push for infrastructure investment. However, gross profit from this segment has declined sharply, primarily due to a surge in raw material costs, which has directly affected HHV's gross profit margin.

Other revenue

Revenue from other business segments (billion VND)

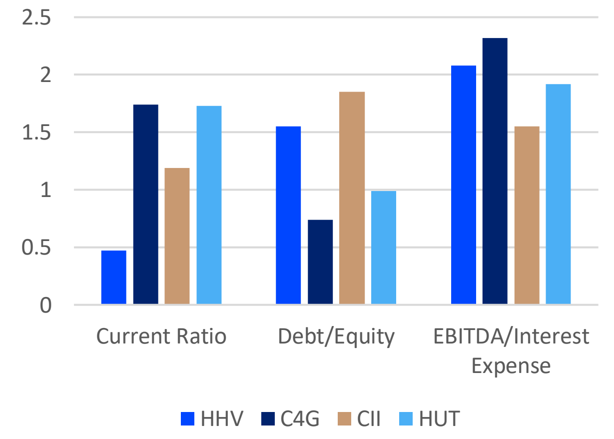


Source: Company report, Shinhan Securities Vietnam

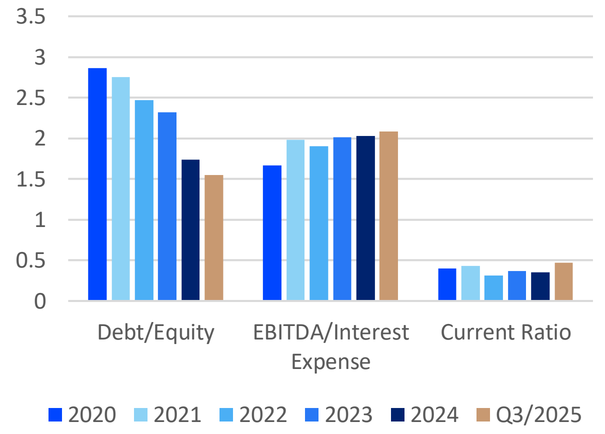
The ancillary revenue segments, including maintenance services, tunnel operations, transit services, and other supporting activities, have remained stable and grown in line with the expansion of infrastructure construction and investment projects undertaken by Deo Ca Traffic Infrastructure Investment JSC (HHV).

High leverage ratio, but financial safety has been strengthened year by year

Liquidity ratio and leverage ratio of BOT enterprises Q3/2025



HHV's Liquidity Ratio and Financial Leverage Ratio 2020 – Q3/2025



Source: Company report, Shinhan Securities Vietnam

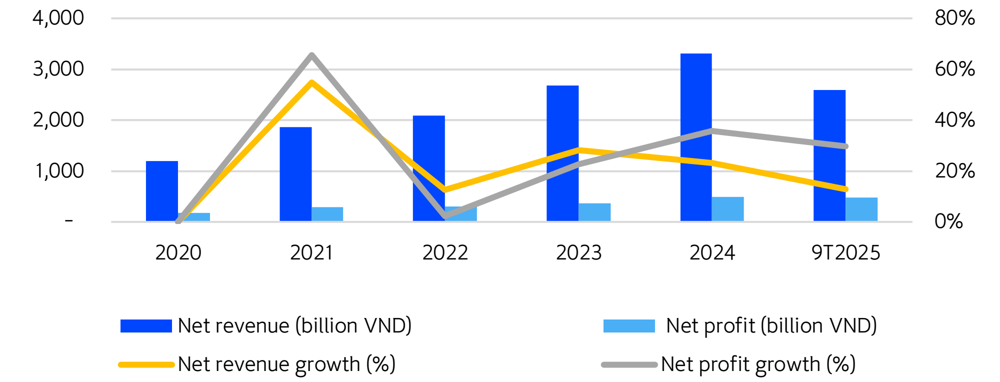
We assess that compared to other BOT toll road operators, HHV has a higher leverage ratio but a lower current ratio than its peers. However, HHV still maintains good liquidity, as reflected in its high interest coverage ratio (EBITDA/Interest expense), indicating the company's solid ability to meet its interest payment obligations.

We observe that HHV's financial position has gradually improved over the 2020–2025 period, with leverage ratios declining and current ratios increasing year by year. In addition, the interest coverage ratio has also shown steady improvement over time.

Update business results

9M/2025 business results recorded strong growth, driven by improvements in both BOT revenue and construction activities.

Revenue and profit of Deo Ca Transport Infrastructure Investment JSC 2020 - 9M/2025 (billion VND)



Source: Company report, Shinhan Securities Vietnam

Deo Ca Traffic Infrastructure Investment JSC (HHV) reported Q3/2025 net revenue of VND 913 billion (+15% YoY) and net profit after tax of VND 152 billion (+23% YoY). For the first nine months of 2025, cumulative revenue reached VND 2,595 billion (+13% YoY), while net profit after tax totaled VND 476 billion (+30% YoY), driven by both BOT toll collection and construction segments.

BOT Toll Collection: Traffic volume across HHV's BOT toll stations in Q3/2025 showed a mild increase compared to the same period last year, with total vehicle count rising by over 400,000 trips (+5.17% YoY). As a result, BOT toll collection revenue reached VND 560 billion (+18% YoY). Most toll stations recorded positive growth in traffic volume.

- Ninh Loc Toll Station experienced a sharp decline (-32.92% YoY) due to traffic being diverted to the Van Phong – Nha Trang Expressway. This decrease had been anticipated in the project's financial plan, with traffic expected to recover once the Van Phong – Nha Trang Expressway begins toll collection in 2026.
- Bac Giang – Lang Son Expressway (BGLS) and National Highway 1 (BGLS segment) are expected to see higher traffic once the Huu Nghi – Chi Lang and Dong Dang – Tra Linh expressways are completed and put into operation.
- Cam Lam – Vinh Hao Toll Station recorded a notable traffic increase in Q3 compared to Q2, creating a favorable foundation for Phase 2 of the project.

For 9M/2025, total BOT toll revenue reached VND 1,627 billion (+13% YoY), with total vehicle count across HHV's toll stations up 11% YoY. Notably, traffic on the Cam Lam – Vinh Hao Expressway surged from 918,232 to 2,713,679 vehicles since the road was opened to traffic in Q2/2024.

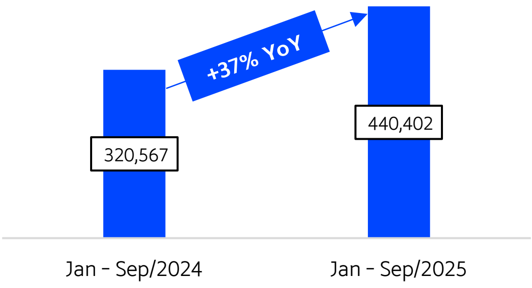
Infrastructure Construction Segment: Revenue from infrastructure construction in Q3/2025 reached VND 313 billion (+14% YoY), primarily contributed by key expressway projects such as Quang Ngai – Hoai Nhon, Dong Dang – Tra Linh, and Mai Son – National Highway 45. For 9M/2025, construction revenue totaled VND 837 billion (+8% YoY).

Other Business Segments: HHV's other business segments maintained stable growth. For 9M/2025, maintenance and tunnel operation revenue reached VND 78 billion (+104% YoY), transit service revenue recorded VND 16 billion (+5% YoY), and other revenue amounted to VND 35 billion (+6% YoY).

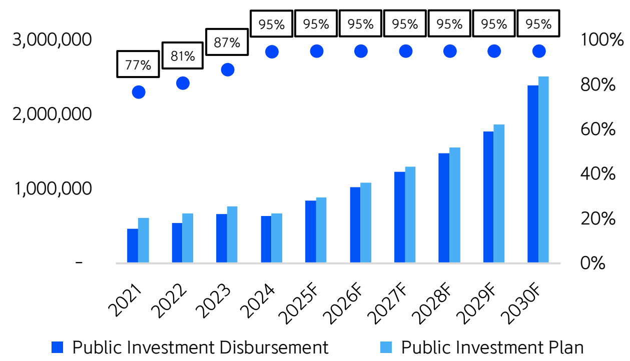
Investment Catalysts & Theses

Boosting public investment capital to promote infrastructure development

Accumulated public investment disbursement 9M/2025 (billion VND)



Public investment disbursement period 2021 - 2028F (billion VND)



Source: Ministry of Finance, Shinhan Securities Vietnam

According to the Ministry of Finance, estimated public investment disbursement from the beginning of the year to September 30, 2025, reached approximately VND 440.4 trillion (+37% YoY), fulfilling 50% of the target assigned by the Prime Minister. The disbursement rate in 9M/2025 showed improvement compared to 9M/2024, increasing from 47.3% to 50%.

The Ministry of Finance also estimates that the total budget allocated for development investment in 2026 will reach around VND 1.12 quadrillion, including approximately VND 1.08 quadrillion for public investment and VND 40 trillion for other development expenditures. Accordingly, total public investment capital in 2026 is forecast to increase by about 22% compared to 2025, reflecting the Government's strong commitment to expanding public investment in order to stimulate economic growth and accelerate the development of key national infrastructure projects.

Public investment capital increased significantly in the period 2026 - 2030

Period	2021 – 2025	2026 – 2030
Average GDP Growth Rate	6.3% (estimated)	10%
State Budget Revenue	VND 9.6 trillion	VND 16.1 quadrillion
State Budget Expenditure	VND 10.9 trillion	VND 20.9 quadrillion
Total Public Investment Expenditure	VND 3.4 trillion	VND 8.31 quadrillion
Budget Deficit	3.1-3.2% of GDP	5% of GDP
Total Government Debt for the Whole Period	VND 2.5 trillion	Expected to mobilize about VND 6.55 quadrillion
Public Debt/GDP Ratio	35-36% GDP	41-42% of GDP

Source: Ministry of Finance, Shinhan Securities Vietnam

In the medium term, the Government plans a substantial increase in public investment capital for the 2026–2030 period. According to the Government's development orientation for this phase, the key objective is to achieve an average annual GDP growth rate of 10% or higher. To realize this goal, the Ministry of Finance estimates that total development investment expenditure will reach approximately VND 8.51 quadrillion, equivalent to 40% of total state budget expenditure. Of this amount, medium-term public investment capital is projected at VND 8.31 quadrillion, representing a 144% increase compared to the 2021–2025 period.

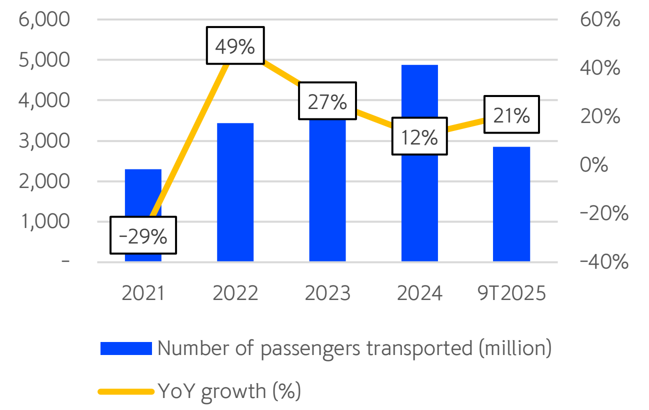
To meet the rising capital demand, the Government plans to raise total state budget revenue to VND 16.1 quadrillion by accelerating economic growth, thereby maintaining budget revenue at around 18% of GDP. Meanwhile, the budget deficit is expected to widen from 3.1% to 5% of GDP, leading to an increase in government debt from VND 2.5 quadrillion to VND 6.55 quadrillion — a 2.62x rise compared to the previous period. The public debt-to-GDP ratio target is projected to increase from 35–36% to approximately 41–42%. We believe that with a public debt ratio around 40% of GDP, Vietnam will continue to maintain a safe fiscal position, ensuring macroeconomic stability while supporting double-digit GDP growth and accelerated infrastructure development in the medium term.

The Government's strong push for infrastructure investment is expected to create significant growth opportunities for HHV, as the company stands to benefit directly through participation in BOT projects and increased revenue from infrastructure construction activities.

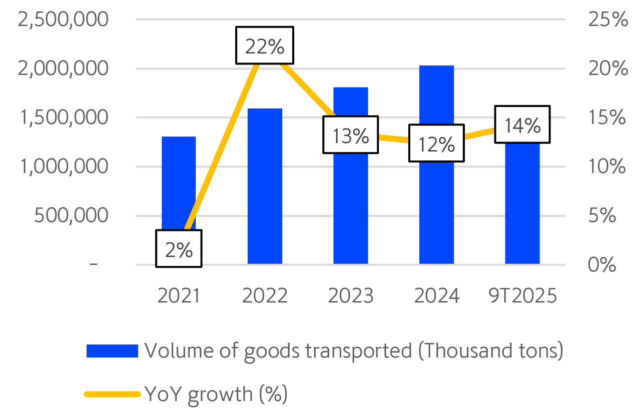
BOT toll collection segment maintains stable growth driven by rising traffic volume and toll rate increases

With BOT toll rates adjusted upward by an average of 5%–6%/ year and vehicle traffic in Vietnam maintaining steady growth, HHV's BOT segment is expected to sustain solid growth of approximately 15%–20%/year in the coming years.

Number of passengers transported 2021 – 9M2025



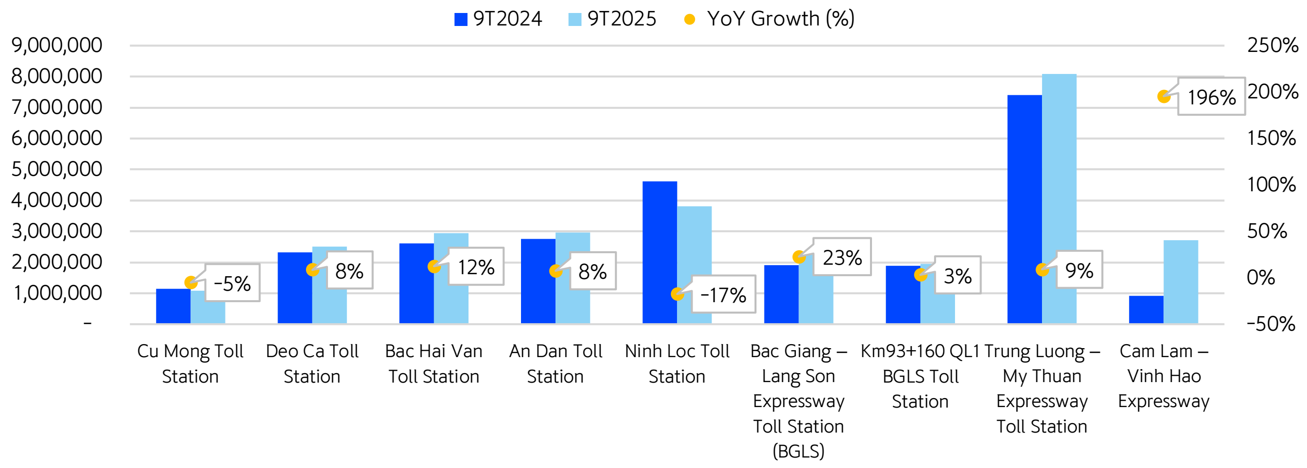
Volume of goods transported 2021 – 9T2025



Source: General Statistics Office, Shinhan Securities Vietnam

During the 2021–2025 period, passenger transport volume recorded a CAGR of 28% per year, while freight transport volume grew at a CAGR of 16% per year. This indicates strong and rising demand for both passenger and cargo transportation in a developing economy like Vietnam. The growth momentum in transportation demand continued through 2025. In 9M/2025, total passenger transport volume reached 2,857 million trips (+21% YoY), while total freight transport volume recorded 1,438.6 million tons (+14% YoY).

Traffic volume through toll stations



Source: Company report, Shinhan Securities Vietnam

In 9M/2025, total traffic volume through HHV's toll stations increased by approximately 11% YoY. Most toll stations recorded solid growth compared to the same period last year, except for the Ninh Loc Toll Station, which saw a decline of about 17% as traffic was diverted to the Van Phong – Nha Trang Expressway. However, this decrease had been anticipated in the project's financial plan, with traffic expected to recover once the Van Phong – Nha Trang Expressway begins toll collection in 2026. The Cam Lam – Vinh Hao Expressway, which was officially completed and opened to traffic in Q2/2024, has since operated smoothly and recorded strong traffic growth throughout 2025.

Positive outlook supported by a strong backlog and rising infrastructure development.

HHV's key projects

No	PROJECT NAME	TOTAL INVESTMENT (billion VND)	IMPLEMENTATION TIME	HHV CONTRACT VALUE (VND billion)	REMAINING OUTPUT VALUE AS OF 30/9/2025 (VND billion)	ACHIEVED OUTPUT Q3/2025 (billion VND)	REVENUE Q3/2025 (billion VND)
1	Quang Ngai – Hoai Nhon Expressway	20,470	Q1/2023 – Q4/2024	1,311	68	106	78
2	Binh Dinh Coastal Road Project	1,081	Q2/2022 – Q4/2024	650	159	54	49
3	Lien Chieu Port Connection Road Project, Da Nang	1,203	2023 – 2025	134	14	28	27
4	Dong Dang – Tra Linh Expressway	14,331	2024 – 2026	994	854	53	33
5	Mai Son – QL45	155	2025	143	66	77	45
6	Ho Chi Minh – Thu Dau Mot – Chon Thanh Expressway	8,833	2025 – 2027	Under negotiation. The estimated contract value is about VND 1,400 billion	—	—	—

Source: Company report, Shinhan Securities Vietnam

As of September 30, 2025, HHV's total backlog was estimated at VND 2,561 billion, primarily contributed by key projects such as the Dong Dang – Tra Linh Expressway and the Ho Chi Minh City – Thu Dau Mot – Chon Thanh Expressway. With a sizable backlog, we believe HHV's infrastructure construction revenue will remain elevated during the 2026–2027 period, providing a stable foundation for medium-term growth.

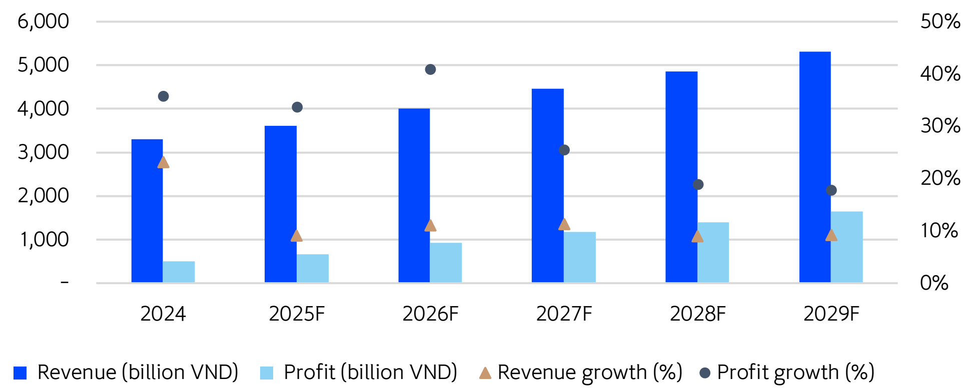
In addition, the Government's national infrastructure development targets — expanding the expressway network to 3,000 km by 2025 and 5,000 km by 2030 — along with continued public investment acceleration, are expected to create further opportunities for HHV to participate in new projects.

We believe that, given the Government's strong infrastructure focus and HHV's solid backlog position, the company's medium- and long-term growth outlook remains positive.

Earnings estimates

Stable growth prospects thanks to BOT toll collection and construction

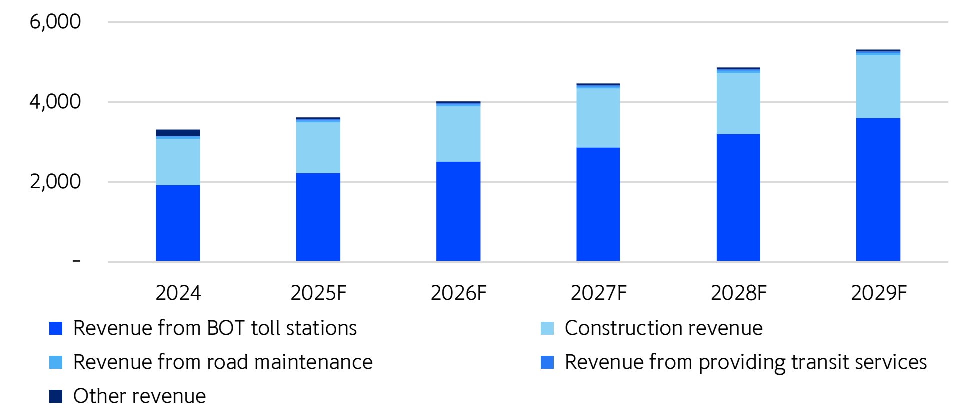
Forecast of net revenue and profit after tax of Deo Ca Transport Infrastructure Investment JSC2024 – 2029F



Source: Company report, Shinhan Securities Vietnam

We forecast Deo Ca Traffic Infrastructure Investment JSC (HHV) to record net revenue of approximately VND 3,609 billion (+9% YoY) in 2025 and VND 4,008 billion (+11% YoY) in 2026. Net profit after tax is projected to reach VND 662 billion in 2025 (+34% YoY) and VND 934 billion in 2026 (+41% YoY).

Revenue structure of Deo Ca Transport Infrastructure Investment JSC 2024 – 2029F (billion VND)

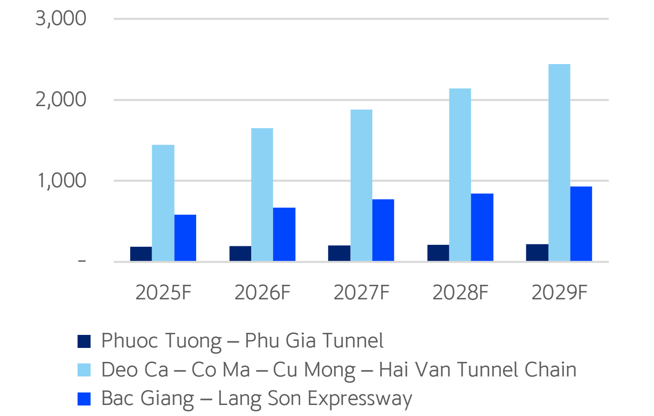


Source: Company report, Shinhan Securities Vietnam

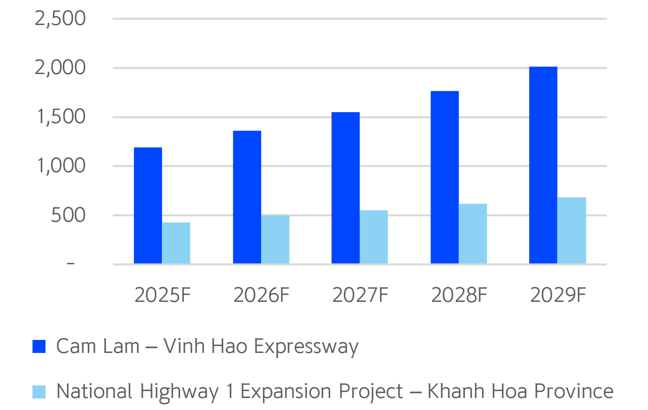
In 2025, HHV's revenue and profit are expected to be primarily driven by BOT toll collection (accounting for 61% of total revenue and 93% of gross profit) and infrastructure construction (accounting for 35% of total revenue and 3% of gross profit). With the Government's strong public investment acceleration projected for the 2026–2030 period, we expect HHV's revenue to achieve an average annual growth rate of approximately 8%–10%.

Revenue from BOT toll collection segment grows steadily thanks to increased vehicle volume and toll rates

Toll station revenue of subsidiaries 2025F – 2029F (billion VND)



Toll station revenue of associated companies 2025F – 2029F (VND billion)

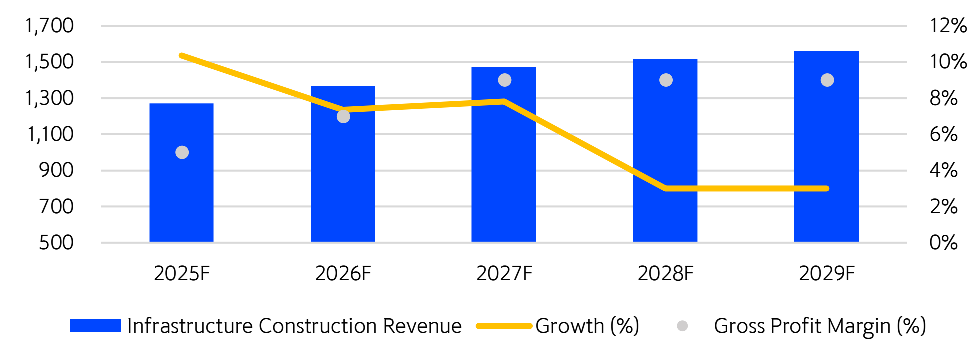


Source: Company report, Shinhan Securities Vietnam

We expect BOT toll collection revenue to reach VND 2,218 billion (+16% YoY) in 2025 and VND 2,515 billion (+13% YoY) in 2026. We forecast the revenue of the BOT toll collection segment to grow at an average rate of around 14% during the 2025–2029 period, supported by an estimated annual toll rate increase of approximately 5% and traffic volume growth ranging from 7%–10%, depending on each toll station.

The construction sector is expected to grow following the trend of promoting public investment.

Construction revenue forecast of Deo Ca Transport Infrastructure Investment JSC 2025F – 2029F



Source: Company report, Shinhan Securities Vietnam

We expect HHV's construction segment revenue to reach VND 1,271 billion (+10% YoY) in 2025 and VND 1,364 billion (+7% YoY) in 2026. The construction segment is forecasted to maintain its growth momentum, supported by the acceleration of public investment, which creates opportunities for HHV to participate in infrastructure development projects.

Gross profit margin for this segment is expected to gradually improve during the 2025–2026 period, reflecting the recovery trend in the construction sector and the real estate market.

Valuation and Recommendation

Initial valuation with BUY recommendation, target price VND 18,200

We initiate coverage on Deo Ca Traffic Infrastructure Investment JSC (HHV) with a BUY recommendation and a target price of VND 18,200, implying an upside potential of 36%. From a long-term investment perspective, HHV can be considered an attractive opportunity based on the following key strengths:

1) Accelerated public investment capital drives infrastructure construction growth
2) The BOT toll collection segment maintains stable growth, supported by increasing traffic volume and rising toll rates
3) Positive long-term outlook supported by strong backlog and rising infrastructure investment demand

Valuation method

We apply the revalued net asset value (RNAV) method to value Deo Ca Traffic Infrastructure Investment JSC (HHV). Based on the RNAV method, we estimate the value of HHV shares at VND 18,200.

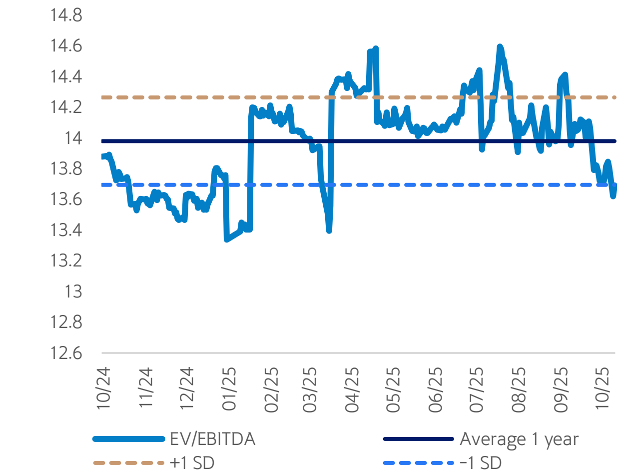
Sum of the parts method (SOTP)

Business segment	**Method**	**Value (billion VND)**
- BOT segment	DCF	5,597
- Construction segment	DCF	2,963
- Other service segment	DCF	468
Equity value (VND billion)		9,029
Number of shares		497,433,003
Target price (VND)		**18,200**
Current price (VND)		13,350
Upside (%)		**36%**

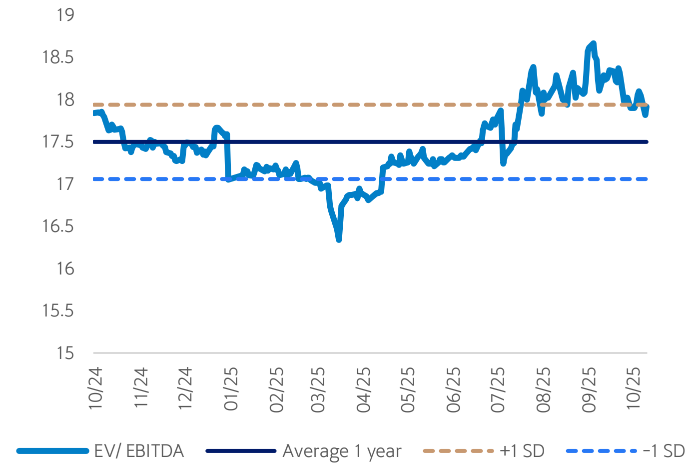
Variable	Value
D/E	2.77
Beta	1.2
Risk-free rate	4.0%
Cost of equity	17.8%
Cost of debt	8.0%
WACC	9.4%

For the Weighted average cost of capital (WACC), we use the 10-year Vietnamese government bond yield at 4% as the risk-free rate. Beta is calculated based on historical data of the last 5 years of HHV and VNINDEX.

EV/EBITDA 1 year

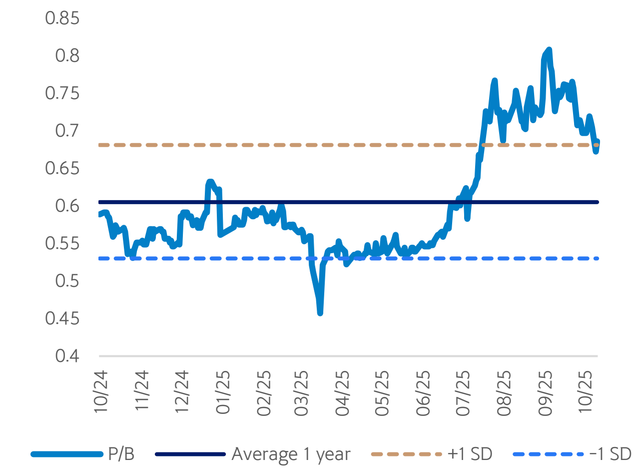


EV/EBIT 1 year

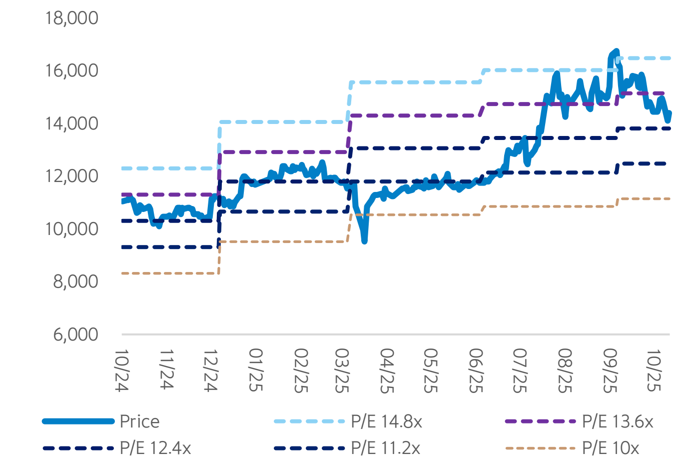


Source: Bloomberg data, Shinhan Securities Vietnam

P/B 1 year

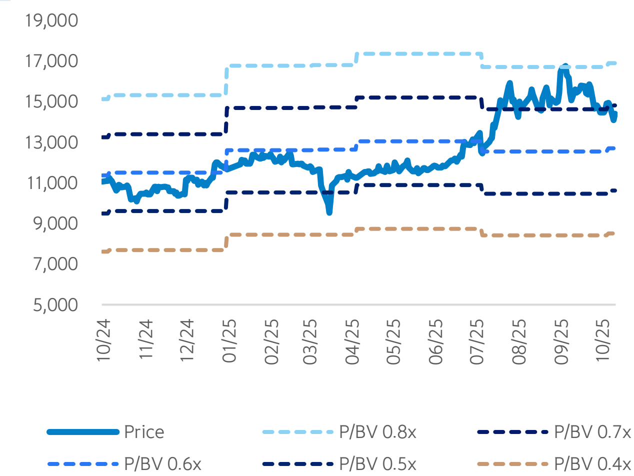


P/E band



Source: Bloomberg data, Shinhan Securities Vietnam

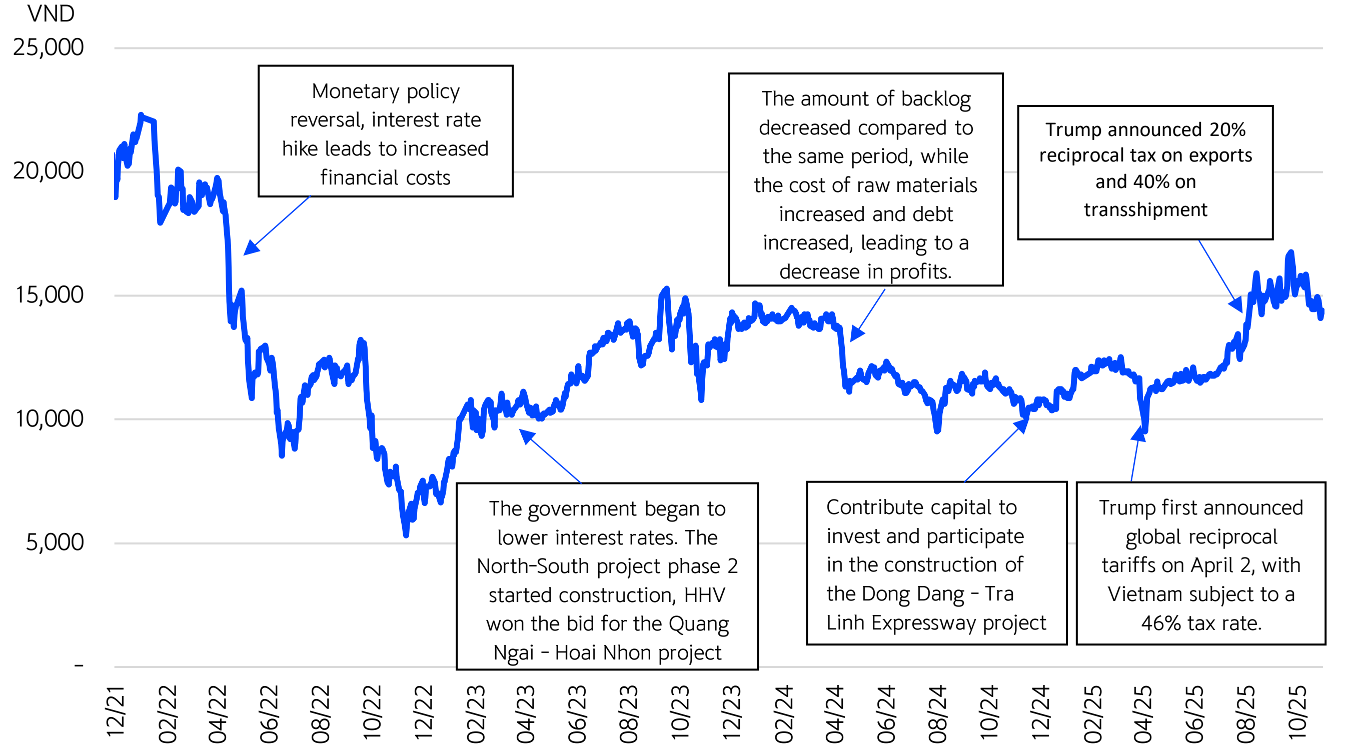
P/B band



ROE and MA

Source: Bloomberg data, Shinhan Securities Vietnam

Key event chart of HHV



Source: Bloomberg, Company data, Shinhan Securities Vietnam

Risks

Risk of slow progress in public investment project implementation

The progress of infrastructure projects has a direct impact on the profitability and revenue recognition timeline of HHV's BOT projects and construction activities. The key risks related to project progress stem from government approval procedures, compensation, and site clearance processes in project areas. Delays in these stages may affect construction speed, cash flow, and overall business performance of HHV.

Volatility in construction material prices

Construction material costs are a key factor directly affecting the gross margin of the construction segment as well as the total investment cost of HHV's projects. Fluctuations in material prices (such as steel, cement, and asphalt) may narrow profit margins, especially in the context of elevated global commodity prices and persistently high logistics costs. Additionally, the risk of material supply shortages in project areas could delay construction progress and increase input costs, thereby negatively impacting HHV's overall business performance.

Rising interest rates

Given the high financial leverage characteristic of BOT projects, interest expenses play a critical role in determining HHV's profitability. Fluctuations in market interest rates directly affect financial costs and the company's net earnings. Moreover, monetary policy adjustments influence interest rates, thereby impacting the profitability of both HHV and its BOT projects.

Appendix: Financial statements

Statement of financial position

Year to Dec. (bn VND)	2024	2025F	2026F	2027F	2028F
Total assets	38,906	39,107	39,361	39,757	40,340
Current assets	1,283	1,235	1,481	1,838	2,351
Cash & equivalents	309	189	331	566	971
Short-term financial asset	6	6	6	6	6
Accounts receivable	900	966	1,073	1,195	1,302
Inventories	68	73	70	71	71
Non-current assets	37,623	37,873	37,880	37,919	37,990
Net fixed assets	27,803	27,623	27,526	27,452	27,397
Investment assets	12	12	12	12	12
Other long-term assets	9,809	10,238	10,342	10,455	10,581
Total liabilities	27,977	27,608	27,057	26,443	25,825
Current liabilities	3,679	3,990	4,139	4,309	4,544
Accounts payable	903	1,035	1,014	984	1,011
Short-term borrowings	1,081	1,211	1,329	1,476	1,628
Others	1,695	1,744	1,795	1,849	1,906
Non-current liabilities	24,298	23,618	22,917	22,134	21,281
Long-term borrowings	17,912	16,962	15,960	14,845	13,629
Other financial liabilities	6,386	6,656	6,957	7,289	7,652
Total shareholders' equity	10,930	11,500	12,304	13,314	14,515
Charter capital	4,323	4,323	4,323	4,323	4,323
Capital surplus	6	6	6	6	6
Retained earnings	1,117	1,687	2,491	3,501	4,702
Other capital	11	11	11	11	11
Non-controlling interest equity	1,466	1,466	1,466	1,466	1,466
*Total debt	18,993	18,173	17,290	16,321	15,257
*Net debt (cash)	18,684	17,984	16,959	15,755	14,285

Statement of comprehensive income

Year to Dec. (bn VND)	2024	2025F	2026F	2027F	2028F
Revenue	3,308	3,609	4,008	4,463	4,864
Growth (%)	23.2	9.1	11.1	11.4	9.0
COGS	(1,967)	(2,092)	(2,267)	(2,467)	(2,639)
Gross profit	1,341	1,517	1,741	1,997	2,225
GPM (%)	40.5	42.0	43.4	44.7	45.7
SG&A	(72)	(80)	(89)	(99)	(108)
Operating profit	1,269	1,437	1,652	1,898	2,117
Growth (%)	24.5	13.2	15.0	14.9	11.6
OPM (%)	38.4	39.8	41.2	42.5	43.5
Non-operating profit	(691)	(609)	(485)	(432)	(374)
Financial income	48	75	86	98	111
Financial expense	(814)	(754)	(647)	(613)	(576)
In which: interest expenses	(797)	(754)	(647)	(613)	(576)
Net other non-operating profit	75	70	76	83	90
Pre-tax profit	579	828	1,167	1,465	1,743
Income tax	(83)	(166)	(233)	(293)	(349)
Net profit	495	662	934	1,172	1,395
Growth (%)	35.8	33.7	41.0	25.6	19.0
NPM (%)	15.0	18.3	23.3	26.3	28.7
Controlling interest	426	570	804	1,010	1,201
Non-controlling interest	69	92	130	163	193
EBIT	1,375	1,581	1,813	2,078	2,319
Growth (%)	26.5	15.0	14.7	14.6	11.6
EBIT Margin (%)	41.6	43.8	45.2	46.6	47.7
EBITDA	1,724	1,902	2,134	2,402	2,645
Growth (%)	20.1	10.3	12.2	12.5	10.1
EBITDA margin (%)	52.1	52.7	53.3	53.8	54.4

Statement of cash flow

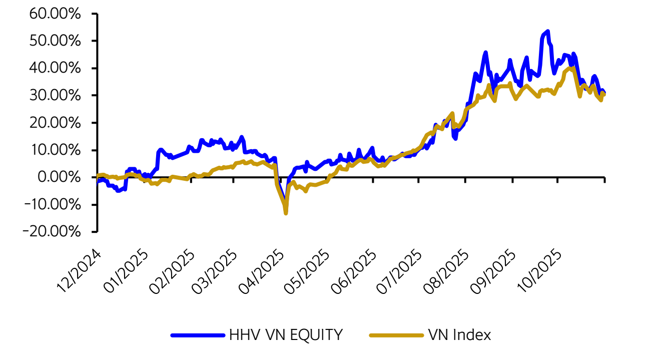
Year to Dec. (bn VND)	2024	2025F	2026F	2027F	2028F
Cash flow from operations	1,144	1,178	1,249	1,453	1,741
Net profit	493	662	934	1,172	1,395
Depreciation expense	349	321	321	323	326
(Gain) from investing activities	(106)	-	-	-	-
Interest expense/ income	797	754	647	613	576
Change in working capital	(1,289)	(467)	(519)	(491)	(358)
Others	900	(93)	(133)	(165)	(197)
Cash flow from investments	(670)	(478)	(224)	(249)	(271)
Change in fixed assets	(259)	(147)	(224)	(249)	(271)
Change in investment assets	0	-	-	-	-
Others	(411)	(331)	-	-	-
Cash flow from financing	(461)	(819)	(883)	(969)	(1,064)
Change in equity	830	-	-	-	-
Net borrowing	(1,291)	(819)	(883)	(969)	(1,064)
Dividends	(0)	-	-	-	-
Change in total cash	13	(120)	142	234	406
Beginning cash	296	309	189	331	566
Change in FX rates	-	-	-	-	-
Ending cash	309	189	331	566	971

Key ratios

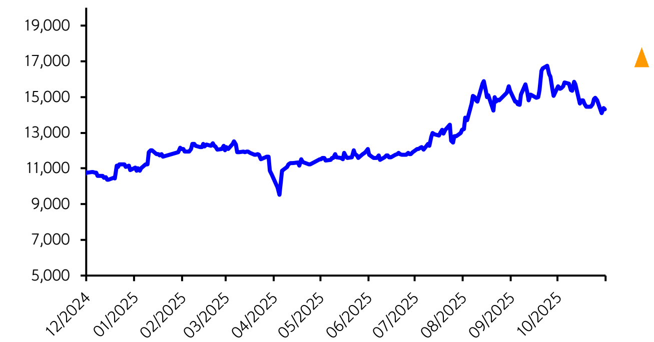
Year to Dec.	2024	2025F	2026F	2027F	2028F
EPS (VND)	1,025	1,146	1,616	2,030	2,415
BPS (VND)	22,749	20,172	21,788	23,818	26,233
DPS (VND)	0.2	-	-	-	-
PER (x)	11.4	12.0	8.5	6.8	5.7
PBR (x)	0.7	0.7	0.6	0.6	0.5
EV/EBITDA (x)	14.61	14.2	12.7	11.2	10.2
Dividend payout ratio (%)	0.0	-	-	-	-
Dividend yield (%)	0.0	-	-	-	-
Profitability					
EBITDA margin (%)	52.1	52.7	53.3	53.8	54.4
OPM (%)	38.4	39.8	41.2	42.5	43.5
NPM (%)	15.0	18.3	23.3	26.3	28.7
ROA (%)	1.3	1.7	2.4	3.0	3.5
ROE (%)	5.0	5.9	7.8	9.2	10.0
Stability					
Debt to equity ratio (%)	173.8	158.0	140.5	122.6	105.1
Net debt ratio (%)	1,083.7	945.3	794.5	656.0	540.1
Cash ratio (%)	8.4	4.7	8.0	13.1	21.4
Interest coverage ratio (x)	1.7	2.1	2.8	3.4	4.0
Activity (%)					
Inventory turnover (days)	8.0	7.1	6.5	5.8	5.3
Accounts receivable turnover (days)	86.5	92.1	90.6	90.5	91.4
Accounts payable turnover (days)	186.4	169.0	164.9	147.9	138.0

Deo Ca Traffic Infrastructure Investment JSC (HHV)

Share price



Target price (VND)



Date	Rating	TP (VND)	TP gap (%)	
			TB	Max/Min
11/11/2025 (Initiate)	BUY	18,200	34	7/79

Note: Calculation of target price gap based on past 12 months

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Stock	Sector
◆ **BUY:** Expected 12-month gain of 15% or more ◆ **HOLD:** Expected 12-month loss of 15% to gain of 15% ◆ **SELL:** Expected 12-month loss of 15% or more	◆ **OVERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated BUY ◆ **NEUTRAL:** Based on market cap, largest share of sector stocks under coverage is rated HOLD ◆ **UNDERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated SELL

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Shinhan Investment Network

SEOUL

Shinhan Securities Co., Ltd
Shinhan Investment Tower
70, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK

Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

Hong Kong

Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

Indonesia

PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

Shanghai

Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

Ho Chi Minh

Shinhan Securities Vietnam Co., Ltd.
18th Floor, The Mett Tower, 15 Tran Bach Dang,
Thu Thiem Ward, Thu Duc City, HCM City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

Ha Noi

Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District, Hanoi, Vietnam.
Tel : (84-8) 6299-8000