

HANG XANH MOTORS SERVICE JSC (HSX: HAX)
Sowing the seeds of "VFG" in the dry auto season

Unit: VND bn	Q2-FY26	Q1-FY26	+/- qoq	Q2-FY25	+/- yoy
Net sales	1,559	1,097	42.0%	1,029	51.5%
NPAT-MI	14	5	+VND 9 bn	-4	+VND 19 bn
EBIT	-30	-19	-VND 11 bn	4	-VND 34 bn
EBIT margin	-1.9%	-1.8%	-14bps	0.3%	-224bps

Source: HAX, RongViet Securities

H1-FY26: Fierce competition has significantly eroded profit margins

- In H1-2026, HAX recorded net revenue of VND 2,656 bn (+33.6% YoY) but still 9% below our expectation. The main growth driver came from the full consolidation of VFG (VinFast distributor) from Q2 and the recovery of the Mercedes-Benz segment from a low base. Specifically, the selling cars segment contributed VND 2,389 bn (+38.5% YoY), of which MBZ achieved VND 896 bn (+27.3% YoY) and the consolidated VFG brought VND 1,194 bn (+231.7% YoY), while MG continued to weaken sharply to VND 299 bn (-54.7% YoY) under fierce competitive pressure and declining market share. The parts and services segment remained flat at VND 258 bn, affected by the closure of the largest MBZ dealership at Kim Giang, which overshadowed improvements at the MG service workshop network and contributions from VinFast.
- NPAT-MI reached VND 19 bn (vs. only VND 1 bn in the same period last year), exceeding our expectation (VND 13 bn), corresponding to a slight improvement in net margin to 1.4%. The result reflected the recovery of EBIT margin in the MBZ segment to 1.1% (+188 bps YoY) thanks to reduced pressure from slow-moving inventory and more positive consumer sentiment following the brand's restructuring efforts, combined with substantial incentives from manufacturers (MBZ VND 14 bn, MG VND 21 bn, VinFast & others VND 87 bn). However, EBIT margins for MG and VinFast remained negative due to deep discount policies and the inherently high COGS of VinFast, while interest expenses surged 95.8% YoY to VND 34 bn driven by higher interest rates and expanded borrowings following the VFG deal. On the positive side, the minority interest share declined markedly thanks to the recovery of the MBZ segment (100% owned).

FY26-27 Outlook: Gradual profit margin improvement expected as slow-moving inventory pressure

- HAX returns to a high revenue growth trajectory of 42.6%/43.4% YoY in 2026/27 after a sluggish 2025 (-15.6% YoY), driven by (1) the recovery of MBZ vehicles following completion of organizational restructuring and strategic renewal in advertising, vehicle launches, and dealer cooperation from 2026, (2) consolidation of VFG (VinFast distributor) from H2-2026.
- Additionally, slow-moving inventory pressure for MBZ and MG has been gradually resolved in 2025 and H1-2026, combined with substantial VinFast incentives in the early cooperation phase (5.0-6.0% of net revenue), supporting better profit margins for FY2026/27 vs. 2025, translating into impressive NPAT growth of +575.6%/62.3% YoY for 2026/27F, in our view.
- For Q3-2026, we forecast HAX's NPAT at approximately VND 10 bn, a strong improvement versus the loss in the same period last year (+VND 38 bn YoY), reflecting a clear recovery in MBZ EBIT margin amid reduced inventory pressure and incentive/support payments from manufacturers (especially VinFast contributing significantly). However, earnings quality remains constrained by thin business margins in the VinFast and MG segments under intense competitive pressure, along with sustained high interest expenses.
- We forecast HAX's revenue and NPAT for 2026/27F at VND 6,631/9,506 bn (+42.6%/+43.4% YoY) and VND 38/62 bn (+575.6%/+62.3% YoY), respectively. Corresponding EPS is VND 353/574.

Outlook & Recommendation

With an auto distribution business model (high-value goods) and inherently thin margins, HAX is vulnerable to high interest rate environments and intense competition, especially in the budget segments of MG and VinFast. Manufacturer support measures against industry headwinds, such as large support payments, appear insufficient to restore the Company's profitability to historical averages. This is also the reason behind two years (2025-26) of severe earnings declines (below the VND 100 bn/year benchmark). Therefore, we believe the inflection point in HAX's business outlook/share price comes from lower average lending rates or easing of the automobile "price war" as some manufacturers downsize or completely exit the Vietnamese market in the coming years.

Compared to the previous report, we have revised down 28%/45% for HAX's NPAT-MI in 2026/27F due to the Company's continued need for heavy discount programs for the two budget vehicle lines MG & VinFast given the intense competition of these two brands against other VAMA brands, Hyundai TC, and even fierce competition among distributors of the same brand. Following the 28%/45% downward revision in NPAT for 2026/27, we lower our one-year target price for HAX by 17% to **VND 9,500/share**, corresponding to forward P/E of 2026 and 2027 at 26.9x and 16.6x, respectively. Accordingly, we maintain our **ACCUMULATE** recommendation for HAX after the stock price declined 16% over the past three months.

ACCUMULATE +12%

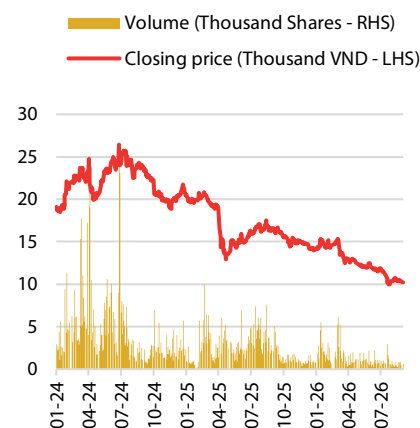
Market price (VND)	8,430
Target price (VND)	9,500

1-year expected cash dividend (VND/share): 0

Stock Info

Sector	Auto & Spare Parts
Market Cap (VND Bn)	887
Share O/S (Mn)	107
Average trading volume (20 sessions) ('000 shares)	124
Free Float (%)	50.0
52 weeks high	13,150
52 weeks low	8,200
Beta	0.8

	FY2025	Current
EPS	869	827
EPS growth (%)	-42.1	-12.9
P/E	16.2	12.9
P/B	1.2	0.84
EV/EBITDA	15.3	11.6
ROE (%)	6.9	6.6

Stock price movement

Major shareholders (%)

Dung, Do Tien – Chairman	17.38
Hanh, Vu Thi – Wife of Chairman	16.61
AFC Vietnam Fund	4.64
Others	61.37
Remaining Foreign Room (%)	43.45

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H1-2026 RESULTS – FIERCE COMPETITION HAS SIGNIFICANTLY ERODED PROFIT MARGIN

The consolidation of Vietnam Future Group JSC (VFG), the exclusive VinFast distributor (the market leader in sales volume growth), together with the recovery of the Mercedes-Benz (MBZ) segment, **helped HAX post a notable improvement in net revenue in H1-2026, reaching VND2,656 bn (+33.6% YoY). However, this was still 9.0% below our expectation** as the VinFast segment did not outperform as strongly as estimated. Specifically:

- **Selling cars segment**, recorded revenue of VND 2,389 bn (+38.5% YoY), driven by the recovery of the MBZ lineup from a low base in the same period last year (VND 896 bn, +27.3% YoY) and the full consolidation of VFG revenue from Q2-2026 into other revenue (VND 1,194 bn, +231.7% YoY). In contrast, the remaining brand – MG delivered a “lackluster” performance (VND 299 bn, -54.7% YoY) amid intense competition among distributors and a sharp decline in MG’s market share in Vietnam.

Looking at industry-wide data, we note the absolute dominance of VinFast electric vehicles (115,916 units, +71.6% YoY) versus other brands such as VEA joint ventures including Toyota, Honda and Ford (67,947 units, +9.2% YoY), THACO mainly Kia and Mazda (32,841 units, +12.2% YoY), Hyundai TC (25,069 units, +3.6% YoY), MG (4,309 units, -19.5% YoY), and MBZ (1,029 units, +21.1% YoY). As a result, VinFast approached a 40% market share of Vietnam’s total automobile market in 1H2026 (vs 30% in H1-2025). (Figure 1)

Regarding the VFG M&A transaction, on March 20th, 2026, HAX completed the acquisition of a 65% stake in Vietnam Future Group JSC (VFG). The total deal value is estimated by us at VND341.5bn, of which HAX paid 20% upfront (VND 68.3 bn) with the remaining 80% (VND 273.2 bn) recorded as other long-term payables to be settled 30% within the next 6 months and 50% within the next 12 months. HAX also recognized an additional VND 215 bn in goodwill from the transaction in the quarter. Consequently, revenue and profit from VFG’s operations began to be fully consolidated into HAX’s consolidated financial statements from Q2-2026, instead of only other income from manufacturer incentives as in Q1-2026.

- **Repairing & component part selling segment**, recorded revenue of VND 258 bn (flat YoY) due to the closure of the largest MBZ dealership in Kim Giang – Hanoi, which reduced revenue for the MBZ brand (VND 159 bn, -12.8% YoY). This overshadowed the significant improvement in operations at the MG service workshops after two years of operation (VND 24 bn, +35.5% YoY) as well as the consolidation of VinFast into other revenue (VND 75 bn, +43.4% YoY).

NPAT-MI reached VND 19 bn (vs VND 1 bn in the same period last year), higher than our expectation of VND 13 bn, equivalent to a net margin of 1.4% (+5bps YoY). This was driven by the recovery in MBZ segment margins (from the Q2-2025 trough) and manufacturer incentives/support from MG and VinFast, specifically:

- **The MBZ segment**, achieved an EBIT margin of 1.1% (+188bps YoY), mainly thanks to the absence of hard-to-sell inventory pressure as in previous periods. HAX has become more cautious in inventory procurement, and consumer sentiment toward the MBZ brand has improved as Mercedes-Benz Vietnam implemented a series of strategies to restore brand positioning after the “operational freeze in 2025”, in details:
 - Stabilization of domestic MBZ CKD production from H2-2025 after HCMC People’s Committee extended the lease of the over 100,000 m² land plot in Go Vap district until Apr-2030, helping restore MBZ vehicle supply in the Vietnamese market to a stable level compared with the trough in H1-2025, rather than the “barely operating” mode seen in early 2025 in our view;
 - Strengthening of the leadership team from early 2026 with the appointment of new CEO René Neumann replacing Mr. Gerd Bitterlich, facilitating stable cooperation channels and long-term strategy development with dealers, including HAX;
 - Implementation of brand repositioning campaigns through standardization of the distribution system under the MAR20X standard (HAX also upgraded its two dealerships at Vo Van Kiet – Ho Chi Minh City and Lang Ha – Hanoi in August 2026), product portfolio restructuring, and the launch of a series of prominent new models such as the AMG GT 63 4Matic+ Coupé, limited-edition Mercedes-Maybach SL 680, and the upgraded Mercedes-AMG G 63.
- **The MG segment**, recorded a negative EBIT margin of 3.7% (-786bps YoY) as HAX had to coordinate with the manufacturer to implement deep price discounting and aggressive sales support policies amid intense competition from other affordable ICE brands such as Hyundai TC, Toyota, Mitsubishi and Honda.

According to VNEconomy’s automotive section, price reductions in H1-2026 were no longer limited to tens of millions of dong but jumped to record levels in order to close deals ahead of the low season. Deep-inventory models such as the Subaru Forester saw direct discounts of VND 300-360 mn, while the Hyundai Santa Fe was cleared with discounts of up to VND 220 mn. Even in the mass-market segment, brands such as Toyota, Mitsubishi, Honda and Ford simultaneously offered 100% registration fee subsidies, cash gifts and body insurance. The aggressive floor-price strategy ahead of the Ghost Month low season has inadvertently set a “growth trap”: sales volume may edge higher, but the actual surplus value of the entire industry is being severely eroded. The dark side directly impacting the health of the automotive economy is the financial exhaustion of the dealer network. In order to meet harsh sales targets from manufacturers to secure year-end bonuses, many dealers are willing to “cut” entire profits or even accept

operating losses on each vehicle delivered to customers. Bearing bank interest costs on inventory amid a freefall in actual selling prices has pushed many small and medium-sized dealers into a cash-flow imbalance alert state.

- **The VinFast & others segment**, recorded a negative EBIT margin of 3.8% (-159bps YoY) due to the consolidation of VFG from Q2-2026. In our view, VinFast electric vehicles, characterized by selling prices that are cheap relative to production costs (Figure 2) and the highest discount levels at present, have caused intermediate distributors such as HAX to be similarly affected.
- In addition, **interest expenses in H1 surged sharply** to VND 34 bn (+95.7% YoY), further eroding profit margin amid a high lending rate environment (HAX's average annual borrowing rate in H1-2026 reached 5.7%/year, +119bps YoY) and a significant expansion in debt scale to VND1,402bn (+66.0% YoY) following the consolidation of VFG.
- **The bright spot offsetting the above cost disadvantages was HAX's recognition of high manufacturer incentives/support**, reflecting close cooperation with the brands during the industry's trough phase, specifically MBZ (VND14bn, +107.5% YoY), MG (VND21bn, +47.7% YoY), and VinFast & others (VND87bn, +636.5% YoY).
- We note that **minority interest amounted to VND18bn (-30.0% YoY), accounting for 49.0% of HAX's NPAT before MI (vs 97.4% in the same period last year**, as the MG distribution subsidiary – PTM, in which HAX holds only ~52% with the remaining ~48% belonging to minority shareholders – suffered a sharp deterioration in results). Meanwhile, the fully-owned Mercedes-Benz segment recovered strongly, significantly reducing the minority interest ratio.

Table 1: HAX's results in H1-2026

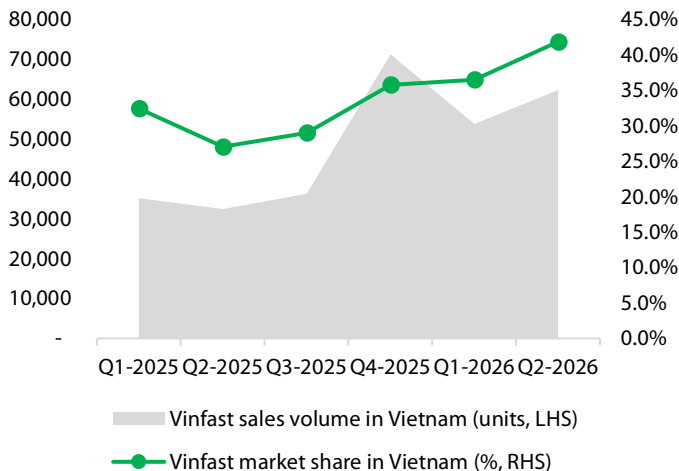
Unit: VND bn	H1-2026	+/-yoy	% of Company's H1-2026 Plan	% of VDS's H1-2026 Forecast
Net revenue	2,656	33.6%	Not disclosed	40%
COGS	-2,493	38.3%		
Gross profit	164	-11.4%		
SG&A expense	-213	23.5%		
EBIT	-49	-483.7%		
Finance income	1	-43.4%		
Finance expense	-34	95.7%		
Income from affiliates	0			
Other profit	132	201.6%		
Profit before tax	50	23.7%	25%	45%
Net profit after tax (NPAT)	37	38.9%		
Minority of interest (MI)	18	-30.1%		
NPAT-MI	19	2,593.1%		
Gross margin	6.2%	-314bps		
SG&A exp / Net sales	8.0%	-66bps		
Net margin	1.4%	5bps		

Source: HAX, RongViet Securities

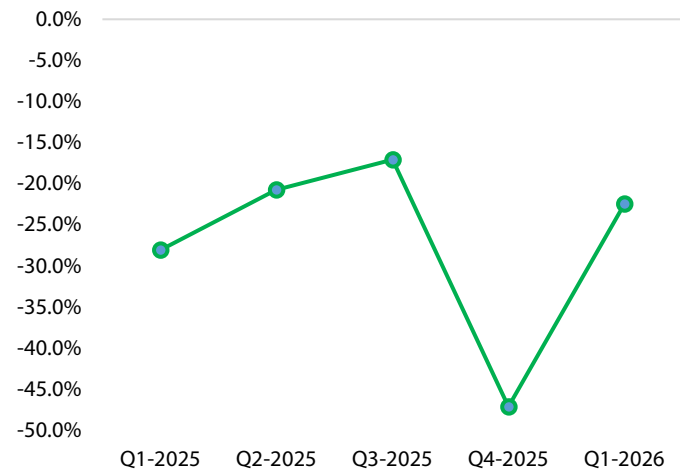
Table 2: HAX's minority of interest in H1-2026

Unit: VND bn	H1-2025			H1-2026		
	NPAT	Ownership rate	MI	NPAT	Ownership rate	MI
Can Tho Automotive Mechanical JSC	-1	90.82%	-1	0	90.82%	0
PTM Automotive Manufacturing, Trading and Services JSC	31	51.62%	16	5	52.06%	3
Mekong Passenger Vehicle and Services JSC	5	62.11%	3	6	62.11%	4
VFG JSC	0	0.00%	0	10	65.00%	6
An Thai Automobile JSC	23	32.51%	7	16	32.51%	5
Dat Viet Construction and Trading JSC	0	0.00%	0	0	51.27%	0
Total	58		26	38		18

Source: HAX, RongViet Securities. An Thai Automobile JSC is a second-tier indirect subsidiary through the first-tier subsidiary Mekong Passenger Vehicle and Services JSC (in which HAX holds a 52.35% ownership stake). Consequently, HAX's voting rights in An Thai amount to 52.35%, qualifying it for consolidation into HAX's financial statements as a subsidiary.

Figure 1: Vinfast's auto sales volume in Vietnam


Source: VAMA, Vinfast, Hyundai TC, Vehicle Certification Department, RongViet Securities

Figure 2: Vinfast's gross margin (modified)


Source: Vinfast, RongViet Securities

Note: The adjusted gross margin we refer to relates to VinFast's interpretation in its investor newsletter: "Pressure on gross profit margin primarily stemmed from a revenue deduction of USD 192 mn related to the extension and modification of certain free charging programs in our markets. Under these programs, eligible VinFast vehicles sold through February 10, 2029 will enjoy free charging benefits for up to three years. In addition, similar to previous quarters, gross margin was also affected by deferred revenue recognition on certain vehicle sales transactions and net realizable value (NRV) adjustments. Excluding these factors, gross margin would have improved to -22.5% in Q1/2026 (versus -47.2% in Q4/2025 and -28.1% in Q1/2025), reflecting a clear improvement in the core operating trend of the business."

Regarding working capital management capability, effective working capital management is critical for an automotive distribution model given thin margins and the high "obsolescence" characteristic of inventory, which requires rapid capital turnover. We note that HAX faced a significant disadvantage in 2025 when inventory levels rose sharply in both the MBZ and MG segments, accompanied by more lenient credit policies for customers, yet revenue inflows did not keep pace with the policy amid an intensely competitive industry environment dominated by VinFast. Entering 2026 and the period ahead, we expect working capital management to gradually improve as the Company coordinates more closely with the brands on inventory procurement and provides stronger business support across all segments. Specifically:

- **Trade receivable:** We expect HAX to narrow days sales outstanding (DSO) toward the industry average of 10 days, supported by the growing influence of VFG (which has a low DSO of 7 days) in the overall business model from the second half of 2026 onward (VFG's full consolidation of results begins in Q2-2026). Meanwhile, the two traditional distribution models are expected to maintain their existing receivable policies, with DSO of 11 days for MBZ and 18 days for MG.
- **Inventory:** As previously noted, HAX experienced a substantial inventory build-up in 2025 amid confidence in improving purchasing power (driven by the industry's 18.4% YoY sales recovery in H2-2024 following the 50% registration fee reduction) for both MBZ (reaching VND 519 bn, +25.5% YoY) and MG (reaching VND 297 bn, +132.0% YoY). For MG specifically, following a successful 2024 partnership that boosted both HAX's distribution market share and MG's overall market share in Vietnam, the Company confidently expanded by adding 7 dealerships nationwide along with larger inventory scale. However, 2025 saw a rapid decline in Vietnam's gasoline vehicle market share (from 75.0% in 2024 to 60-65% in 2025) amid VinFast's aggressive expansion (as previously discussed). Consequently, HAX found itself in a difficult position of having significantly increased inventory while being unable to sell through, pushing inventory days higher for both MBZ and MG. In H1-2026, HAX has brought inventory days back to more normalized levels, particularly for MG (at the cost of significant margin sacrifice in this segment, as noted earlier). We expect HAX to maintain this level of management discipline for both 2026 and 2027 across the MBZ and MG segments. For the new VinFast segment (to be recognized from Q2-2026), we expect the Company to maintain inventory days of 45-50 days for a full year of recognition (i.e., 2027). In 2026, however, the inventory metric for this segment will appear higher at over 60 days due to the technical calculation methodology, as the opening inventory balance (1/1/2026) for total VinFast & others did not yet include the VinFast segment, while the closing balance (31/12/2026) already includes it.
- **Trade payable:** We maintain days payable outstanding (DPO) at 8-10 days for 2026-27F, similar to H1-2026, reflecting the impact of consolidating VFG (specializing in VinFast distribution) from Q2-2026 onward.

Table 3: HAX's working capital management (days)

	2022	2023	2024	2025	YTM 2026	2026F	2027F
Days AR on hand	7	9	8	15	16	10	9
Days inventory on hand	62	69	48	78	89	103	77
MBZ	59	59	51	82	75	75	70
MG			78	127	62	70	65
Vinfast & Others					60	60	45
Days AP	4	4	7	5	10	9	8

Source: HAX, RongViet Securities

Profitability is expected to recover in 2026 after overcoming the hard-to-sell inventory pressure in MBZ and MG, coupled with the consolidation of the new VFG business model.

HAX's MBZ distribution model surged in line with the post-Covid automotive industry recovery, as pent-up demand during the pandemic was released in 2022, driving impressive margin and asset turnover metrics that lifted HAX's ROE to 28.5% that year. However, after a strong year, HAX—like other high-value retail businesses (e.g., MWG, FRT)—became more confident in expanding inventory procurement in 2023, only to quickly confront the post-Covid demand slowdown and the fact that much of the demand had already been absorbed in 2022. As a result, HAX's ROE rapidly retreated to 3.2%. Amid those difficulties, the Company established a Tier-1 dealership relationship with MG in 2024 (*). SAIC Motor's serious investment in its third market re-entry helped significantly improve HAX's sales volume, trading margins, and brand incentives in that year, restoring ROE to 9.4%. Nevertheless, HAX could not escape the "boom-and-bust" cycle in the following year (2025), with ROE declining to a record-low 0.4% due to elevated hard-to-sell inventory (as previously discussed).

(*) For the third market entry, in July 2023, SAIC Motor Vietnam (SMV) officially took over distribution from Tan Chong. The new era of MG in Vietnam truly began in 2024. A still-young MG brand delivered an exceptional 2024 with vehicle sales growth of +242% YoY, reaching 13,117 units—far outpacing the growth of long-established brands such as Toyota, Mazda, KIA, Honda, Mitsubishi, and Hyundai Thanhcong (0–2.5% YoY), which had been in a prolonged downturn for five years.

For the 2026-27 period, as discussed in the working capital section, HAX's margins are expected to become more comfortable as the high-cost inventory overhang in both MBZ and MG gradually clears (especially after H1-2026), alongside the consolidation of the new VFG business model (with expected full-year net margin of 2.0%). Additionally, VFG—distributing currently the most favored vehicle lineup, VinFast—will support improvement in HAX's asset turnover, albeit accompanied by expanded financial leverage as VinFast dealership investments continue to require significant debt financing. Accordingly, we project HAX's ROE to improve to 4.5%/6.6% for 2026-27.

Table 4: DUPONT analysis of DRC's return on equity

	2022	2023	2024	2025	YTM 2026	2026F	2027F
ROE	28.5	3.2	9.4	0.4	1.7	4.5	6.6
Of which:							
Net margin	3.5	0.8	2.3	0.1	0.4	0.8	0.8
Asset turnover	3.5	1.7	2.5	1.9	1.8	2.5	3.1
Financial leverage	2.3	2.2	1.7	1.7	2.1	2.4	2.6

Source: HAX, RongViet Securities. Note: YTM 2026 is the trailing one-year figure as of 06-30-2026.

Q3-2026's projected results: MBZ & Vinfast maintain the key driver, offsetting the downturn of MG

Table 5: HAX's Q3-2026 earnings forecast

	Q3-2026	+/-yoy	+/-qoq	Assumption
Net revenue	1,865	62.2%	19.6%	
Selling cars	1,718	197.7%	21.2%	
Mercedes-Benz (MBZ)	705	22.1%	53.3%	Similar to H1-2026, growth YoY in this quarter is expected to be high due to the low base in the same period last year (MBZ sales of only 577 units in Q3-2025, the lowest figure on record). In addition, brand restoration activities in Vietnam—such as the launch of new C-, S-, and G-Class models, showroom upgrades, intensified advertising, and dealer discounts following the restructuring of MBZ Vietnam's leadership—should support stronger consumer confidence and sales at dealerships. For HAX specifically, the Company accounts for 2/3 of the new showrooms meeting Mercedes-Benz Retail Architecture global retail standards in Vietnam (at Lang Ha and Vo Van Kiet). Accordingly, we expect HAX's MBZ revenue growth (22.1% YoY) to outperform the brand's overall growth (15.0% YoY) this quarter.
MG	175	-38.6%	34.6%	We maintain a less optimistic view on MG volume growth in Vietnam given the absence of new model launches or brand advertising campaigns, as SAIC Motor prioritizes the European market. For HAX, the Company currently operates 17 MG dealerships (with virtually no new openings since H2-2025) out of a total of 40 MG dealerships in Vietnam (an increase of approximately 10 dealerships since H2-2025), implying a decline in HAX's distribution market share for this brand. Accordingly, we expect HAX's MG revenue growth (-38.6% YoY) to lag the brand's overall growth (-20.0% YoY).
Vinfast & others	838	436.6%	1.2%	The consolidation of VFG—specializing in VinFast distribution—into HAX from Q2-2026 results in impressive growth for this segment (4x YoY). However, sequential growth is expected to be flat, as average monthly VinFast sales in July & August 2026 of ~20,971 units remain in line with the Q2-2026 monthly average.
Repairing & component part selling	144	13.7%	5.0%	We are optimistic about double-digit growth in this segment, supported by the rising number of MG vehicles in circulation and the recent restructuring of 2/4 MBZ dealerships to Mercedes-Benz Retail Architecture global standards, including expanded service workshop capacity. The consolidation of VFG further supports YoY growth in this segment.
Others	3	-21.4%	-27.6%	
Gross profit	107	79.1%	18.4%	HAX's gross margin is expected to improve solidly (+54 bps YoY) thanks to lower hard-to-sell inventory pressure versus the same period last year, particularly in the MBZ segment. The improvement could have been even stronger had it not been for the consolidation of VinFast distribution, which carries the thinnest margins among HAX's distribution models (as previously noted).

SG&A expense	-128	34.3%	6.7%	Similar to gross margin, the SG&A / net revenue ratio is projected to decline 142 bps YoY due to the absence of significant hard-to-sell inventory pressure in MBZ. VFG's business characteristics—low gross margin but correspondingly low SG&A / net revenue ratio—will help dilute the overall ratio after consolidation into HAX from Q2-2026. We project VFG's ratio to remain unchanged QoQ.
EBIT	-21	+VND 15 bn	-29.0%	
Income from affiliates	0			
Net finance income	-20	121.7%	1.1%	Maintained at a high level similar to H1-2026, as both debt scale and borrowing interest rates remain elevated.
Other profit	67	229.8%	-15.7%	Manufacturer incentive income for HAX is expected to maintain strong YoY growth, supported by MBZ's return to more aggressive dealer support after stabilizing internal production-business operations and collaborating with HAX on dealership standard upgrades since early 2026. Additionally, the consolidation of VFG allows HAX to recognize substantial support from VinFast (VND 52 bn this quarter), similar to Q2-2026.
Mercedes-Benz (MBZ)	3	206.7%	-34.9%	
MG	12	0.4%	-5.0%	
VFG & others	52	604.3%	-16.4%	
Profit before tax	26	+VND 50 bn	-12.4%	
Corporate income tax	-7	347.6%	6.3%	
Minority of Interest (MI)	9	283.0%	15.2%	
NPAT-MI	10	+VND 38 bn	-29.2%	NPAT-MI is projected at VND 14 bn, an improvement from the loss in the same period last year, but still at a low level due to continued margin sacrifice for competition in VFG (VinFast) and PTM (MG) at elevated levels.
Gross margin	5.7%	54bps	-6bps	
Mercedes-Benz (MBZ)	5.8%	389bps	-209bps	
MG	12.0%	32bps	-141bps	
Vinfast (VFG) & others	4.3%	-229bps	109bps	
SG&A exp / Net sales	6.9%	-142bps	-83bps	
Mercedes-Benz (MBZ)	4.4%	-73bps	-127bps	
MG	14.8%	24bps	-177bps	
Vinfast (VFG) & others	6.3%	-170bps	-12bps	
EBIT margin	-1.1%	196bps	77bps	
Net margin	0.5%	278bps	-94bps	

Source: HAX, RongViet Securities

2026-2027 OUTLOOK – EXPECTING THE BETTER PROFIT MARGIN AFTER EASING THE INVENTORY PRESSURE

HAX is expected to return to a high revenue growth trajectory of 42.6%/43.4% YoY in 2026/27F after a muted 2025 (-15.6% YoY), driven by (1) the recovery of the MBZ lineup following completion of organizational restructuring and accompanying strategy renewals in advertising, new model launches, and dealer cooperation from 2026, and (2) the consolidation of VFG (specializing in VinFast distribution) from H2-2026. In addition, the hard-to-sell inventory pressure in MBZ and MG is gradually being resolved through 2025 and H1-2026, coupled with substantial VinFast incentives in the early partnership phase (5.0-6.0% of net revenue), supporting stronger margins for full-year 2026/27F versus 2025 and translating into impressive NPAT growth of +575.6%/62.3% YoY for 2026/27F, in our view.

Table 6: HAX revenue forecast by segment (VND bn)

	H1-2026	2026	2027	Assumption
Selling cars	3,667	6,056	8,840	
YoY growth	53.5%	47.2%	46.0%	
Mercedes-Benz (MBZ)	1,621	2,517	2,643	We are optimistic about overall MBZ volume growth in Vietnam (+15.0%/5.0% YoY in 2026/27) as the brand refocuses on the Vietnamese market through a series of leadership restructuring moves, launches of five new models, and strengthened cooperation with distribution dealers via upgrades to Mercedes-Benz Retail Architecture standards and increased dealer support. For HAX specifically, the Company has taken the lead in dealership standard upgrades, with 2/3 of its Vietnam dealerships meeting the new standards, and has demonstrated commitment by helping the brand clear inventory in the prior year. This is expected to lift HAX's distribution market share in MBZ, reflected in the Company's higher YoY revenue growth versus the brand overall in both 2025 and H1-2026. In aggregate, we expect HAX's revenue growth in this segment for 2026/27 to reach 22.3%/5.0% YoY.
YoY growth	81.0%	22.3%	5.0%	
MG	350	650	682	We maintain a less optimistic view on overall MG volume growth in Vietnam (-20.0%/+5.0% YoY in 2026/27), as the brand is not prioritizing the Vietnamese market as it did in 2024 (shifting focus to Europe), with a lack of new model launches or product advertising campaigns. For HAX, the Company faces heightened competitive pressure from approximately 10 new MG dealerships opened over the past year while not expanding its own MG network, resulting in significantly lower YoY revenue growth versus the brand overall in both 2025 and H1-2026. In aggregate, we expect HAX's revenue growth in this segment for 2026/27 to reach -47.8%/+5.0% YoY.
YoY growth	17.0%	-47.8%	5.0%	
Vinfast & others	1,695	2,889	5,514	VinFast continues to expand its position in the Vietnamese market with 71.6% YoY sales volume growth in H1-2026. Seeing no headwinds in dealership or charging station development in Vietnam, we maintain a positive outlook on overall brand volume growth of 71.3%/20.0% in 2026/27, enabling the brand to surpass 40.0% market share. For HAX, the Company currently operates 15 dealerships, including 6 newly opened in 2026, accounting for approximately 3.0% of VinFast's distribution market share in Vietnam. We expect the Company to continue expanding by 2-3 dealerships in 2027, supported by favorable early-cycle cooperation with Vin, implying a modest 10 bps market share gain next year. In aggregate, we expect HAX's revenue growth in this segment for 2026/27 to reach 256.4%/90.9% YoY. <i>Note that the consolidation of VFG (specializing in VinFast distribution) from Q2-2026 drives impressive 2026 growth given the absence of this segment in 2025; 2027 will also sustain high growth as the first full year of recognition of all four quarters of VinFast revenue versus only three quarters in 2026.</i>
YoY growth	42.0%	256.4%	90.9%	
Repairing & component part selling	300	559	650	We are optimistic about double-digit growth in this segment, supported by the rising number of MG vehicles in circulation and the recent restructuring of 2/4 MBZ dealerships to Mercedes-Benz Retail Architecture global standards, including expanded service workshop capacity. The consolidation of VFG further supports YoY growth in this segment.
YoY growth	16.1%	8.1%	16.3%	

Others	8	17	17
YoY growth	-13.6%	-15.1%	0.0%
Net revenue	3,975	6,631	9,506
YoY growth	49.6%	42.6%	43.4%

Source: RongViet Securities

Table 7: HAX's market share by segment (%)

	2023	2024	2025	2026F	2027F
YoY sales volume growth by brand					
MBZ	-52.3%	-8.8%	-29.5%	15.0%	5.0%
MG	-11.4%	243.7%	-25.5%	-20.0%	5.0%
Vinfast	374.0%	149.6%	101.3%	71.3%	20.0%
HAX' market share (based on sales volume)					
MBZ	33.7%	32.6%	42.9%	43.0%	43.0%
MG	19.5%	25.2%	29.7%	20.0%	20.0%
Vinfast				3.0%	3.1%

Source: VAMA, Vinfast, Hyundai TC, Vehicle Certification Department, HAX, RongViet Securities

Table 8: Projection for HAX's auto selling price by segment (VND bn/unit)

	2023	2024	2025	2026F	2027F
Mercedes-Benz (MBZ)	2.76	2.76	2.29	2.42	2.42
YoY growth	26.6%	0.1%	-17.1%	6.0%	0.0%
MG		0.42	0.43	0.41	0.41
YoY growth			2.5%	-3.0%	0.0%
Vinfast			0.46	0.41	0.42
YoY growth				-10.0%	2.0%

Source: VAMA, Vinfast, Hyundai TC, Vehicle Certification Department, HAX, RongViet Securities

Table 9: HAX earnings forecast for 2026/27F (VND bn)

	2026F	2027F	Assumption
Net revenue	6,631	9,506	As presented in Table 6, HAX is expected to record high YoY revenue growth (42.6%/43.4%) in 2026/27, driven by the recovery of MBZ and the consolidation of VFG (specializing in VinFast distribution) from Q2-2026.
Selling cars	6,056	8,840	
Repairing & component part selling	559	650	
Others	17	17	
Gross profit	383	520	
SG&A expense	-477	-599	
EBIT	-94	-80	The clearance of inventory pressure in MBZ and MG is expected to support better EBIT margins for both brands; however, MG's improvement is expected to lag MBZ due to the continued absence of product and brand advertising support from the manufacturer. For VinFast, we believe the expanding scale of HAX's distribution network over time will provide opportunities for lower input costs in 2027 and beyond versus 2026. Nevertheless, within the 2026-27 horizon, VinFast is not yet expected to generate positive contribution

			to parent "HAX" on a pure "buy-and-sell" operating basis, excluding manufacturer support.
Mercedes-Benz (MBZ)	23	26	
MG	-20	-18	
Vinfast & others	-68	-63	
Goodwill	-29	-25	Goodwill arising from the VFG transaction (VND 214 bn) is amortized over 8-9 years, resulting in an additional VND 25 bn annual charge to G&A expenses for HAX.
Income from affiliates	0	0	
Net finance income	-73	-74	Net finance loss is expected to remain elevated (approximately -VND 75 bn) amid a high interest rate environment (6.0% p.a.) that is only expected to ease mildly in H2-2027 under our macro view, coupled with a debt scale that will be difficult to reduce quickly due to the addition of the VinFast business model (which requires substantial working capital) and repayment pressure related to the VFG transaction settlement in late 2026-27.
Other profit	261	291	We maintain unchanged manufacturer support assumptions for MBZ/MG/VinFast to HAX between 2026-27, as the current cooperation dynamics remain consistent with H1-2026.
Mercedes-Benz (MBZ)	23	24	
MG	42	44	
VFG & others	196	222	
Profit before tax	95	137	
Corporate income tax	19	27	
Minority of interest	38	47	
NPAT-MI	38	62	Overall, HAX is entering a clear profit recovery phase in 2027 as inventory pressure fully clears and cooperation with the brands tightens, enabling lower input costs and higher manufacturer support to return.
Major financial ratios			
YoY sales growth	42.6%	43.4%	
YoY NPAT-MI growth	575.6%	62.3%	
Gross margin	5.8%	5.5%	
Mercedes-Benz (MBZ)	5.9%	5.9%	
MG	12.0%	11.9%	
VFG & others	4.2%	4.4%	
SG&A exp / Net revenue	7.2%	6.3%	
Mercedes-Benz (MBZ)	5.1%	5.0%	
MG	14.8%	14.3%	
VFG & others	6.4%	5.5%	
EBIT margin	-1.4%	-0.8%	
Net margin	1.1%	1.2%	

Source: HAX, RongViet Securities

VALUATION

Compared with [Our Result Update: HAX – Waiting for new growth drivers - VFG](#) dated 06/22/2026, we have revised down our NPAT-MI forecasts for HAX by 28%/45% for 2026/27, as the Company continues to implement substantial discounting and promotional programs for the two value-oriented brands MG and VinFast amid high competition with other VAMA brands, Hyundai TC, and even intense intra-brand competition among dealers. Specifically:

- **For revenue**, We revise down our 2026 forecast by 5% as VinFast distribution market share has not yet proven as superior as initially estimated based on Q2-2026 results (the first quarter of consolidated VFG revenue recognition), but raise the 2027 forecast by 9% on greater optimism regarding HAX's ability to expand MBZ market share as the Company returns to closer cooperation with the brand and leads in dealership upgrades to the new Mercedes-Benz Retail Architecture standard.
- **For EBIT margin**, we revise down by 130/155 bps for 2026/27, as both the VinFast and MG segments are value-oriented brands that show no signs of ending the "price war" in the currently highly competitive market, similar to H1-2026, affecting discounting practices, selling expenses, or output pricing at dealers such as HAX.
- **For other profit**, We revise up by 44%/33% for 2026/27, reflecting stronger manufacturer support from MBZ and MG for HAX during the gray phase of the automotive market, consistent with H1-2026. For VinFast specifically, in the early partnership phase, support-to-net-revenue ratios typically trend higher for dealers such as HAX to accelerate dealership network and per-dealership revenue growth; we have therefore reflected higher expected support from VinFast (up 45%/39% for 2026/27 versus prior forecasts).

Due to the 28%/45% downward revision in NPAT for 2026/27F, we revise down our one-year target price for HAX by 17% to **VND 9,500 per share**, corresponding to 2026 and 2027 forward P/E of 26.9x and 16.6x, respectively. Accordingly, we maintain our **ACCUMULATE** recommendation on HAX following the 16% share price correction over the past three months.

Regarding the assumptions in our discounted cash flow (FCFF) valuation, we maintain all valuation metrics unchanged across the business models.

Table 10: Description of changes to HAX's segment forecasts (VND bn)

	Actual	Previous forecast		New forecast		% Change in new forecast vs old	
	2025	2026F	2027F	2026F	2025	2026F	2027F
Net revenue	4,651	6,948	8,698	6,631	9,506	-5%	9%
Selling cars	4,114	6,346	8,066	6,056	8,840	-5%	10%
Repairing & component part selling	516	582	613	559	650	-4%	6%
Others	20	20	20	17	17	-15%	-15%
EBIT	-3	-8	62	-94	-80	- VND 86 bn	-VND 82 bn
Net finance income	-36	-77	-82	-73	-74	-5%	-10%
Other profit	96	181	218	261	291	44%	33%
NPAT-MI	6	53	113	38	62	-28%	-45%

Source: HAX, RongViet Securities

VALUATION CONTEXT

Following Q2-2026 results and a 14% price decline over the past three months (broadly in line with global peers), HAX is currently trading at a trailing P/B of 0.8x (half of the book value comes from the Vo Van Kiet land plot with historical cost of VND90-100mn/m²). Overall, the stock appears inexpensive relative to the company's business outlook in H2-2026 – a period of accelerated new model launches across MBZ, MG and VinFast, accompanied by continued high manufacturer incentives. The completion of the purchase of ~1 million HAX shares by Mr. Do Tien Dung, Chairman of Haxaco, during 5 Aug – 3 Sep 2026, as well as the Board's proposal to the AGM for a 5-million-share buyback, serve as additional catalysts that could help stem the stock's downward momentum in the near term.

According to HAX's disclosure dated 8 September 2026, the Chairman of Haxaco increased his ownership from nearly 18.7 million shares to nearly 19.7 million shares, corresponding to an increase in ownership ratio from 17.38% to 18.31% of capital. Following the aforementioned share purchase, Mr. Do Tien Dung and related persons currently hold a total of more than 37.5 million HAX shares, equivalent to a 34.95% ownership stake.

According to the recently approved resolution, Haxaco's Board of Directors unanimously agreed to submit to the General Meeting of Shareholders a proposal to repurchase 5 million shares, representing 4.65% of the total 107,439,681 shares issued. Haxaco plans to seek shareholders' opinions in writing regarding the share repurchase plan and related matters under the authority of the General Meeting of Shareholders. 2 October 2026 has been selected as the record date for shareholders to exercise their rights.

However, with a high-value automotive distribution business model characterized by thin margins, HAX remains vulnerable to a rising lending rate environment and intense competition, particularly in the affordable segments of MG and VinFast. Manufacturer support measures against industry headwinds, such as large incentive payments, appear insufficient to restore company profits to normalized levels. This is also the reason for the severe profit decline over the past two years (2025-26), with annual profits falling below the previous VND 100 bn threshold. Therefore, we believe the inflection point in HAX's business outlook/share price will come from a decline in average lending rates or an easing of the "price war" among automakers when certain brands scale back or fully exit the Vietnamese market in subsequent years. These two inflection points do not yet show positive potential in H2-2026. As a result, HAX is not yet a preferred holding in our portfolio until the two aforementioned factors show more constructive developments.

Table 11: Peers' valuation, HAX (USD mn)

Company	Market cap (triệu USD)	+/- YTM stock price	Trailing EVEBITDA (x)	Trailing PE (x)	Trailing PB (x)
Zhongshen Group (China)	952	-72.8	18.9	6.2	0.2
Inchcape PLC (UK)	3,726	4.4	5.3	12.8	2.5
PT Indomobil Sukses Internasional Tbk (IMAS) (Indonesia)	202	-24.1	15.8	35.1	0.3
AutoNation, Inc. (U.S.)	6,732	-36.9	10.3	9.5	3.0
Group 1 Automotive (U.S.)	3,284	-37.4	11.0	11.8	1.2
Haxaco - HAX (Vietnam)	34	-16.4	20.1	37.1	0.8
Industry median			11.0	11.8	1.2

Source: Bloomberg, RongViet Securities

VALUATION BY FCFF METHOD

DCF Assumptions	Value	Valuation summary	Value (VND bn)
WACC 2026	12.4%	DCF forecast time	5 years
Effective tax rate	20.0%	Enterprise value	1,325
Cost of equity	14.3%	+ Cash & cash equivalent & investment	66
Risk-free rate	4.5%	- Minority of interest	374
Equity risk premium	8.2%	- Debt	769
Beta	1.2	Equity value	248
Exit EV/EBITDA	6.0	Target equity value per share	2,300

Source: RongViet Securities

Table 12: Sensitivity scenario for HAX's Equity Value per Share (excluding investment property) by FCFF method (VND)

WACC	Exit EV/EBITDA					
	4.0		5.0	6.0	7.0	8.0
	10.4%	402	1,734	3,066	4,398	5,730
	11.4%	119	1,398	2,677	3,956	5,235
	12.4%	-151	1,077	2,306	3,535	4,764
	13.4%	-409	771	1,952	3,133	4,314
	14.4%	-656	479	1,614	2,749	3,884

Source: RongViet Securities

Table 13: Sensitivity analysis of Vo Van Kiet land plot contribution to HAX's overall valuation under both methods (VND/share)

Market price (VND mn/m2)	90	100	110	120	130	140	150
Contribution to HAX's valuation (VND/share)	4,841	5,425	6,010	6,595	7,180	7,765	8,349

Source: RongViet Securities

HAX's VALUATION SUMMARY

HAX'S VALUATION SUMMARY (VND/SHARE)		
Segment	Method	Value
Core segments – car dealer	DCF (5-year, WACC 12.4%, Exit EVEBITDA 6x)	2,300
Vo Van Kiet land	Market price (VND 130 mn/m2)	7,200
Total HAX		9,500
1-year expected cash dividend (VND/share)		0
2026F target P/E		26.9

Source: HAX, RongViet Securities

	VND bn			
INCOME STATEMENT	2024A	2025A	2026F	2027F
Net revenue	5,513	4,651	6,631	9,506
COGS	-5,001	-4,296	-6,248	-8,987
Gross profit	512	355	383	520
SG&A expense	-312	-358	-477	-599
Finance income	1	1	0	0
Finance expense	-23	-37	-73	-74
Other profit	81	98	264	293
EBT	258	56	95	137
Corporate income tax	-55	-17	-19	-27
Minority of interest	79	33	38	47
NPAT-MI	125	6	38	62
EBIT	200	-3	-94	-80

FINANCIAL RATIOS	2024A	2025A	2026F	2027F
YoY growth (%)				
Net sales	38.5	-15.6	42.6	43.4
EBIT	259.7	NA	NA	NA
NPAT-MI	269.9	-95.5	575.6	62.3
Total assets	20.1	2.8	17.3	7.7
Total equity	7.9	-8.6	3.0	2.6
Profitability ratios (%)				
Gross margin	9.3	7.6	5.8	5.5
EBIT margin	3.6	-0.1	-1.4	-0.8
Net margin	2.3	0.1	0.6	0.6
ROA	5.2	0.2	1.3	2.0
ROE	10.4	0.5	3.4	5.3
Efficiency ratios (days)				
Days AR on hands	8	13	10	9
Day Invenroty on hands	48	114	99	76
Day AP	7	5	9	8
Liquidity ratios (x)				
Current	1.4	1.8	1.8	1.7
Quick	0.7	0.4	0.2	0.2
Solvency ratios (%)				
Total liabilities/total equity	0.4	0.4	0.5	0.5
Total debt/Total equity	0.6	0.9	0.7	0.9
Short-term debt/Total equity	0.6	0.9	0.7	0.9

	VND bn			
BALANCE SHEET	2024A	2025A	2026F	2027F
Cash & Equivalents	262	93	66	66
Short-term investment	3	11	10	10
Receivables	340	354	179	237
Inventories	661	1,457	1,688	1,880
Other current assets	50	67	314	349
Tangible fixed assets	993	359	473	414
Intangible fixed assets	11	37	37	37
Long-term investment	83	93	132	132
Other non-current assets	83	93	132	132
Total assets	2,409	2,477	2,907	3,131
Trade payables	99	61	152	188
Short-term debt	670	951	769	1,094
Short-term debt	0	0	0	0
Other liabilities	149	97	479	198
Bonus & welfare funds	0	0	0	0
Science and technology fund	0	0	0	0
Total liabilities	918	1,109	1,400	1,480
Paid-in capital	1,074	1,074	1,074	1,074
Treasury shares	0	1	2	3
Retained earnings	129	25	58	87
Other funds	0	0	0	0
Investment & development funds	0	0	0	0
Total equity	1,203	1,100	1,133	1,162
Minority of interest	287	268	374	490

VALUATION RATIOS	2024A	2025A	2026F	2027F
EPS (VND)	1,163	52	353	574
P/E (x)	13.6	198.8	23.2	14.3
BV (VND)	11,201	10,235	10,543	10,813
P/B (x)	1.4	1.0	0.8	0.8
DPS (VND)	300	1,000	0	0
Dividend yield (%)	2.7	6.3	0.0	0.0

VALUATION MODEL	Price	Contribution	Average
DCF	9,500	100%	9,500
Target price (VND/share)		100%	9,500

VALUATION HISTORY	PRICE	RECOMMENDATION	TIME
Sep-2026	9,500	ACCUMULATE	1 year
Jun-2026	11,500	ACCUMULATE	1 year
Mar-2026	10,900	NEUTRAL	1 year

UPDATE VALUATION

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Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-5% to 5%	-20% to -5%	<-20%

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