05/02/2026

RECOMMENDATION	BUY
Fair price (VND)	34,300
Current price (VND)	28,000
Potential upside	22.5%

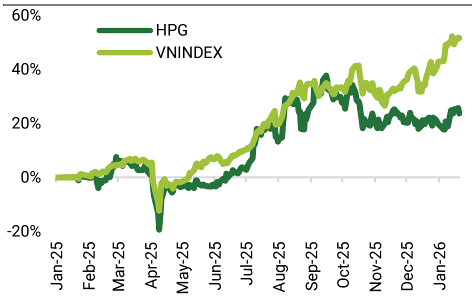
STOCK INFORMATION	
Outstanding shares (mil)	7,675.5
Free float (mil)	59%
Market cap. (billion VND)	209,156
3m avg. volume (shares)	34,480,788
Highest price 52W (VND)	30,350
Lowest price 52W (VND)	17,750

SHAREHOLDER STRUCTURE	
Tran Dinh Long	25.8%
Vu Thi Hien	6.9%
Others	67.3%

CHỈ SỐ TÀI CHÍNH	
TTM EPS (VND)	1,876
BVPS (VND)	16,343
Debt/Equity (%)	75.94%
ROA (%)	6.29%
ROE (%)	12.15%
P/E	14.62
P/B	1.67
Dividend yield (%)	0%

PRICE PERFORMANCE

BIẾN ĐỘNG GIÁ CỔ PHIẾU



COMPANY PROFILE

Hoa Phat Group JSC is a multi-disciplinary manufacturing company. The Company manufactures a wide range of products, including steel, steel pipe, furniture, and refrigeration equipment.

ANALYST(S)

Hoa Nguyen Thi Mai
hoanguyenmai@phs.vn

A NEW GROWTH CYCLE

- Revenue and gross profit margin improved significantly, driven by rising domestic steel demand while raw material prices continued to decline. We expect 2026 to remain a strong growth year for HPG, following the completion and operation of Dung Quat 2.
- We maintain our BUY recommendation on HPG with a target price of VND34,300 per share, implying 22.5% upside potential. Our valuation horizon has been rolled forward to early 2026, and we apply a target EV/EBITDA multiple of 8.5x, lower than the 10-year historical average of 10.2x.

Financial highlights

In 4Q25, construction steel and high-quality steel sales volume reached 1.3mn tons, marking a record quarterly high, while HRC output reached 1.6mn tons, increasing 30% QoQ and 2.5 times YoY.

HPG reported 4Q25 revenue of VND47,302bn, up 34% YoY, while net profit after tax (NPAT) reached VND3,888bn, up 38% YoY.

In 2025, HPG produced 11 million tons of crude steel, up 26% YoY. Total sales volume of HRC, construction steel, high-quality wire rods, and billets reached 10.6 million tons, increasing 31% YoY.

Investment thesis

Domestic steel demand to drive growth outlook for 2026–27

Infrastructure construction and residential construction remain the two key demand drivers. Public investment disbursement is being accelerated at a large scale during 2026–27, focusing on expressways, ring roads, and key transport infrastructure projects, thereby boosting demand for construction steel and rolled steel. In addition, the residential real estate market is entering a recovery phase, particularly social housing during 2026–27, supported by reasonable interest rates and gradually resolved legal bottlenecks. Thereby establishing a sustainable demand base for domestic construction steel.

HRC expected to become HPG's largest growth engine from 2026

HRC demand is closely linked to industrial manufacturing development and Vietnam's industrialization strategy. With GDP growth targets and rising per capita income, the industrial sector is expected to account for 40% of GDP by 2030, up from 37% currently. Leveraging its scale advantages, strong customer responsiveness, and benefits from trade defense measures, HPG is expected to continue gaining domestic HRC market share domestically. We forecast strong growth in HRC sales volumes, HRC will become the largest revenue contributor to HPG's total revenue from 2026.

GPM improvement driven by a higher selling price but low input costs

Key raw materials such as coking coal and scrap steel are projected to continue declining, while iron ore prices remain relatively low, and as the proportion of HRC in the revenue mix increases, we expect HPG's gross margin to improve significantly in 2026. The full commercial operation of Dung Quat Phase 2 from late 2025, along with corporate income tax incentives, will further support HPG's medium-term net profit margin.