

29/09/2026

RECOMMENDATION	BUY
Fair price (VND)	28,700
Current price (VND)	20,300
Potential upside	42.1%

STOCK INFORMATION

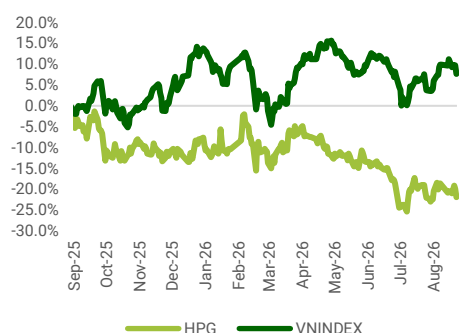
Outstanding shares (mil)	8,443.0
Free float (mil)	82%
Market cap. (billion VND)	179,836
3m avg. volume (shares)	21,244,956
Highest price 52W (VND)	27,591
Lowest price 52W (VND)	20,350

SHAREHOLDER STRUCTURE

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

CHỈ SỐ TÀI CHÍNH

TTM EPS (VND)	2,750
BVPS (VND)	16,660
Debt/Equity (%)	69.62%
ROA (%)	8.91%
ROE (%)	17.40%
P/E	9.34
P/B	1.28
Dividend yield (%)	2.13%

PRICE PERFORMANCE

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

LEADING HRC, ENTERING A NEW GROWTH CYCLE

- HPG delivered strong 2Q26 results, supported by the ramp-up of Dung Quat 2 and recovering steel demand. Revenue reached VND55.6tn (+53% YoY), while net profit rose to VND6.4tn (+51% YoY). We expect 2026–27 to remain a strong growth period for HPG as Dung Quat 2 reaches full operation.
- We maintain our BUY rating on HPG with a target price of VND28,700/share, implying 42.1% potential upside. We roll forward our valuation date to September 2026 and apply a target EV/EBITDA multiple of 7.5x, broadly in line with the 10-year historical average of 7.6x.

Financial highlights

HPG recorded strong 2Q26 results, supported by the ramp-up of Dung Quat 2 and recovering steel demand. Consolidated revenue reached VND55.6tn, up 53% YoY, while net profit rose 51% YoY to VND6.4tn.

In 7M26, HPG's HRC sales volume reached 4.1mn tonnes (+62.5% YoY), while construction steel volume fell 18.7% YoY to 2.3mn tonnes, indicating a significant shift in the product mix toward HRC. Steel pipe volume increased 8.4% YoY to 527 thousand tonnes, while coated steel volume declined 12.2% YoY to 189.6 thousand tonnes.

In 2026, Hoa Phat targets revenue of VND210tn and net profit of VND22tn. After 1H26, the Company achieved 52% of its revenue target and 70% of its net profit target. The steel segment remained the key growth driver, contributing 93% of Group revenue and 68% of total profit.

Investment thesis
Domestic steel demand drives growth outlook for 2026–27

Infrastructure and residential construction remain the two key drivers of steel demand. Public investment disbursement is being accelerated on a large scale in 2026–27, focusing on expressways, ring roads and key transport infrastructure projects, thereby supporting demand for construction steel and wire rod.

HRC becomes HPG's largest growth driver from 2026

HRC demand is linked to the development of industrial manufacturing and Vietnam's industrialization strategy. With GDP and per capita income expected to continue growing, the industrial sector is projected to contribute 40% of GDP by 2030, up from 37% currently. Supported by economies of scale, strong customer service capabilities and trade protection measures, HPG is expected to continue gaining domestic HRC market share.

GPM improves on recovering selling prices and low input costs

With relatively low scrap steel and iron ore prices alongside recovering selling prices, we expect HPG's gross profit margin to improve significantly in 2026–27. The full commercial operation of the Dung Quat 2 Steel Integrated Complex and the increasing effectiveness of trade protection measures will support profitability in the medium term. In addition, HPG is seeking domestic raw material sources, including the Quy Xa iron ore mine, to reduce its dependence on imported raw materials and improve cost control over the long term.