true friend KIS Viet Nam Securities Corporation

Company Brief

4 Nov 2025

Hoa Phat Group (HPG)

Sustain a growth trend

Domestic market continued to enhance earnings growth

- HPG's financial statement in 3Q25 recoreded a revenue of VND36.4tn (+7.2% yoy) and NPAT of VND4,012bn (+32.8% yoy).
    - *Steel segment:* recorded VND33.9bn of revenue, +8.2% yoy. Sales volume reached 2.69 mn tonnes, +14.1% yoy. The domestic market significantly contributed to the growth momentum (+52% yoy, figure 3-4) for two main reasons: *(a)* a higher number of real estate projects were licensed in the previous quarters (figure 5), and *(b)* domestic galvanized steel producers have shifted to using more locally produced HRC to replace Chinese-imported HRC after Vietnam officially imposed anti-dumping taxes on HRC imported from China and India. Export activities, on the other hand, demonstrated clear problems, with export output reaching just 303 thousand tonnes, -62% yoy, due to the effects of excess in the Chinese market and a succession of US tax measures implemented on core steel products (import tax, CVD and AD).

      The net profit of the steel segment recorded VND3,262tn, with a net margin of 9.6%, +2.1%p yoy and -0.7%p qoq (figure 7, 8, 9). The improvement in the net margin compared to the 3Q24, as the domestic sales volume of HRC steel — which carries a higher profit margin — continued to expand in proportion (figure 10). However, the net margin slightly decreased compared to 2Q25, as HPG's domestic HRC selling price has gradually narrowed its gap with Japanese-imported HRC products (figure 11), this occurred as local galvanized steel producers were no longer in passive position as in 1Q and 2Q25.
    - *The Agriculture and Real Estate segments* recorded net profits of VND358bn (+27% yoy) and VND393bn (+30% yoy), respectively.

	3Q25	2Q25	3Q24	QoQ	YoY
Consolidated Rev	36,407	35,911	33,956	1	7
- Steel	33,912	33,531	31,355	1	8
- Agriculture	2,031	2,240	1,833	(9)	11
- Real estate	464	139	768	233	(40)
Consolidated NPAT	4,012	4,265	3,022	(6)	33
- Steel	3,262	3,446	2,438	(5)	34
- Agriculture	358	532	281	(33)	27
- Real estate	393	287	302	37	30
Net margin	11.0	11.9	8.9	(0.9)	212
- Steel	9.6	10.3	7.8	(0.7)	184
- Agriculture	17.6	23.8	15.3	(6.1)	229
- Real estate	84.6	205.6	39.3	(121.0)	4,527

Source: Company data, KISVN

12M rating	NON-RATED
12M TP	
Up/Downside	

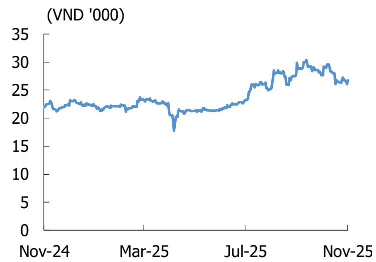
Stock Data

VNIndex (04 Nov, pt)	1,652
Stock price (04 Nov, VND)	26,750
Market cap (USD mn)	7,801
Shares outstanding (mn)	7,675
52-Week high/low (VND)	30,350/17,750
6M avg. daily turnover (USD mn)	54.16
Free float / Foreign ownership (%)	59.0/18.6
Major shareholders (%)	
Tran Dinh Long & relationships	34.98
Dragon Capital	7.65
VOF Investment Limited	4.88

Performance

	1M	6M	12M
Absolute (%)	(3.3)	25.9	22.1
Relative to VNIndex (%p)	(3.8)	(10.7)	(13.0)

Stock price trend



Source: Bloomberg

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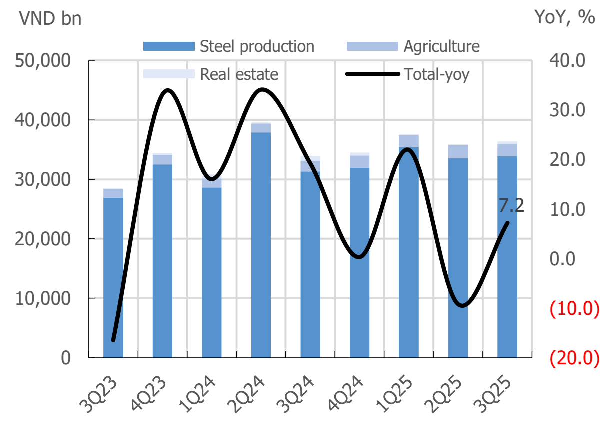
Operating margin could decline in 4Q25F

- In 4Q25F, we believe HPG’s profit margin faces downside risk, which could affect its currently strong net profit growth momentum, based on the following observations:

    (1) Prices of key raw materials such as coking coal and iron ore are trending upward, while selling prices across regions have not increased accordingly amid global steel oversupply in China, Japan, Europe, and the U.S. (figures 12, 13).

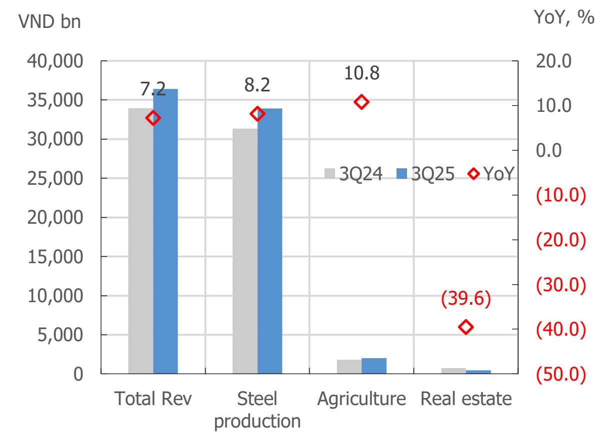
    (2) In the domestic market, HPG’s HRC selling price is unlikely to widen its gap again compared to Japanese-imported HRC, as seen in 1Q and 2Q25, in order to maintain sales competitiveness amid increasing output volumes.

Figure 1. Revenue grew by 7.2% yoy in 1Q25 ...



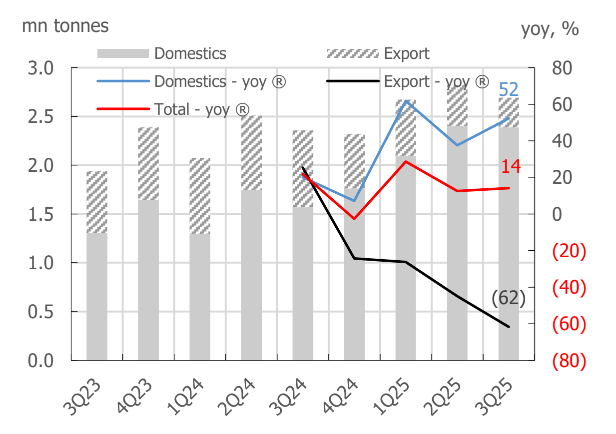
Source: Company Data, KISVN

Figure 2. ... being driven by the steel and agriculture segments



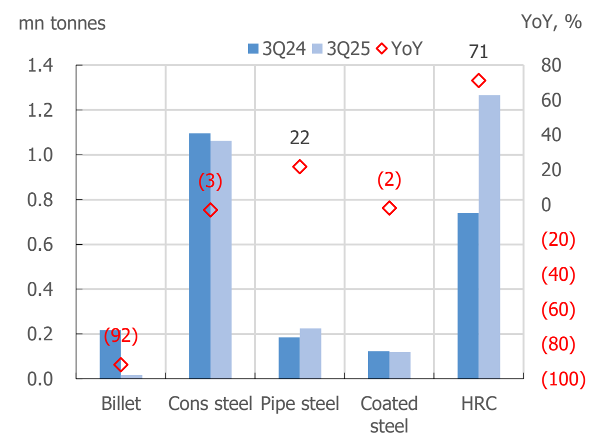
Source: Company Data, KISVN

Figure 3. Steel sales volume grew by 14% yoy in 3Q25 thanks to domestic market...



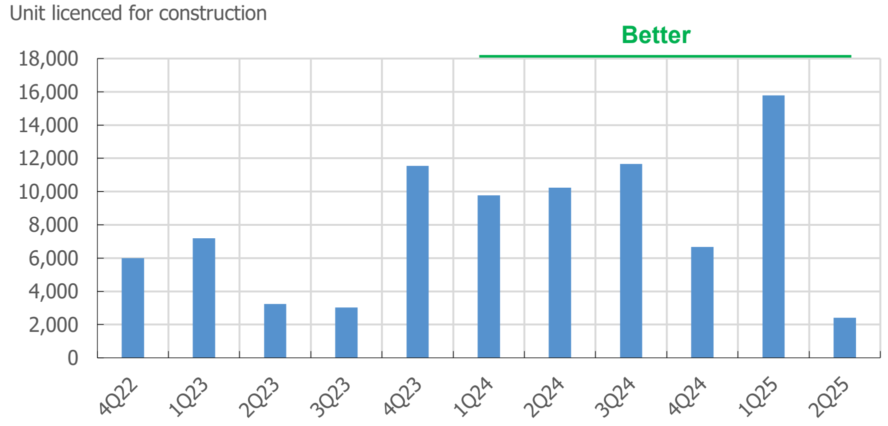
Source: Company Data, KISVN

Figure 4. ...as domestic galvanized steel producers have shifted to using more locally produced HRC to replace Chinese-imported HRC after Vietnam officially imposed anti-dumping taxes on HRC imported from China and India



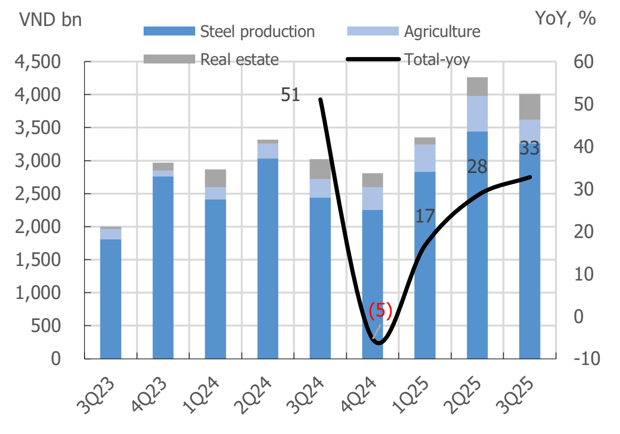
Source: VSA, KISVN

Figure 5. … A higher number of real estate projects were licensed for construction in the previous quarters being enhanced domestic sales



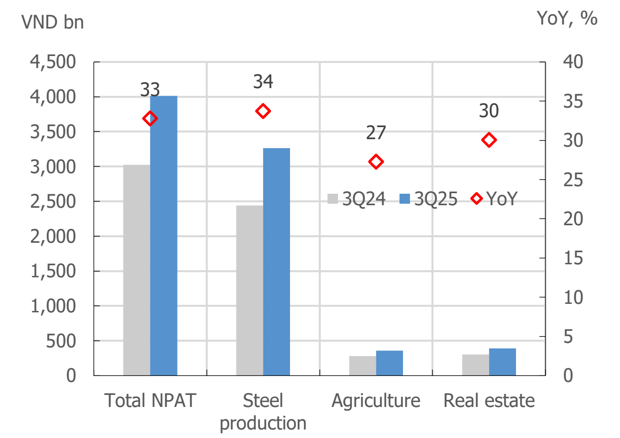
Source: Ministry of Construction, KISVN

Figure 6. NPAT grew by 33% yoy in 3Q25 …



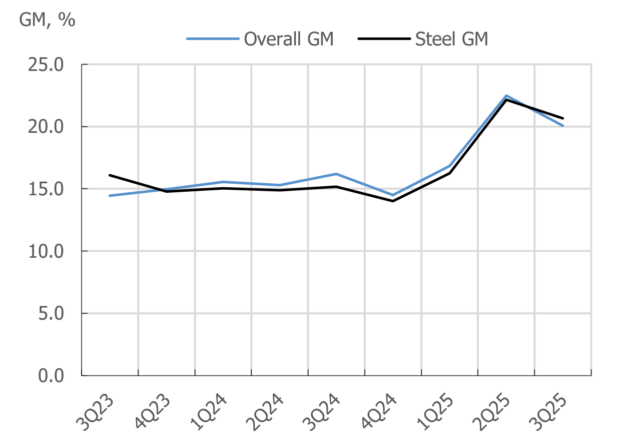
Source: Company Data, KISVN

Figure 7. NPAT growth by segment



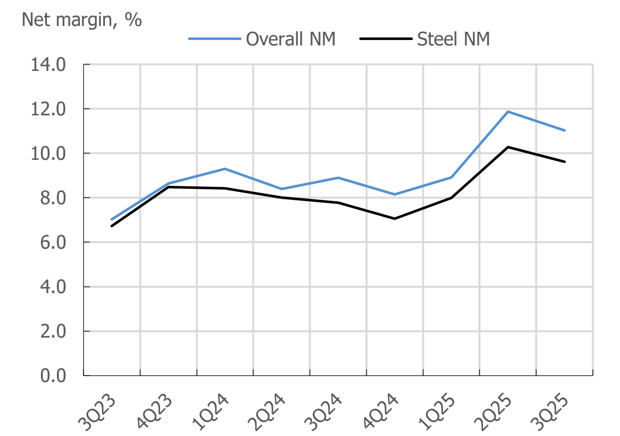
Source: Company Data, KISVN

Figure 8. Estimated gross margin of HPG



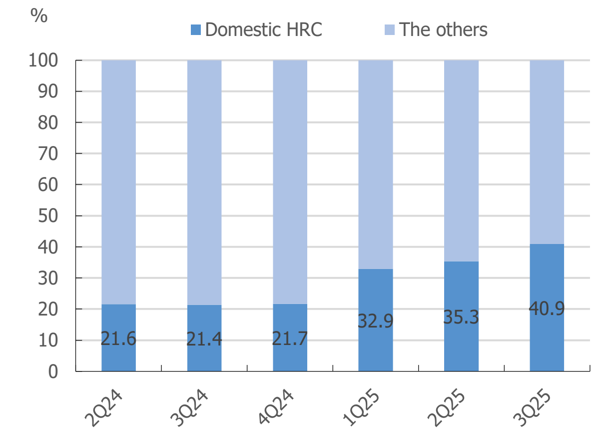
Source: Company Data, KISVN

Figure 9. … a net margin of 9.6% in 3Q25, +0.7%ppt qoq and +2.1%ppt yoy



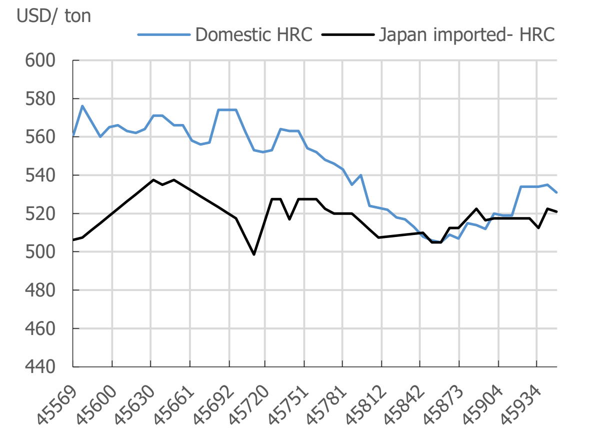
Source: Company Data, KISVN

Figure 10. … The improvement in the net margin compared to the 3Q24, as the domestic sales volume of HRC steel — which carries a higher profit margin — continued to expand in proportion



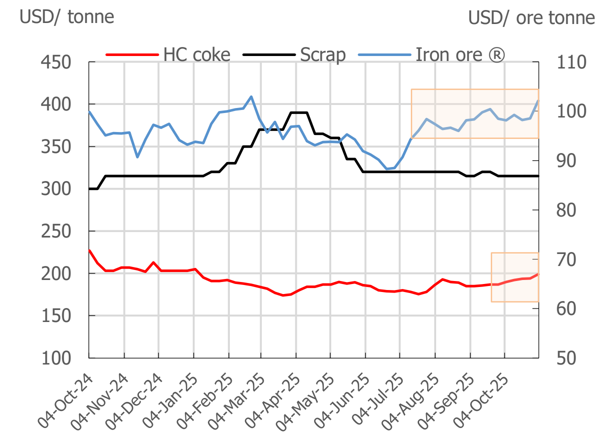
Source: VSA, KISVN

Figure 11. …However, the net margin slightly decreased compared to 2Q25, as HPG's domestic HRC selling price has gradually narrowed its gap with Japanese-imported HRC products



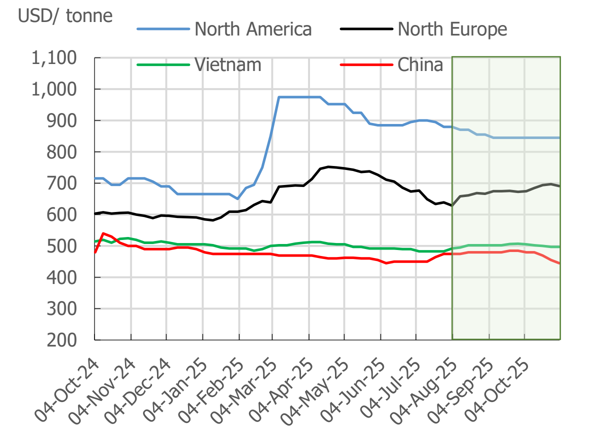
Source: Bloomberg, KISVN

Figure 12. Prices of key raw materials such as coking coal and iron ore are trending upward,



Source: Bloomberg, KISVN

Figure 13. … while selling prices across regions have not increased accordingly amid global steel oversupply in China, Japan, Europe, and the U.S



Source: Bloomberg, KISVN

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