true friend **KIS** Viet Nam Securities Corporation

Company Brief

20 May 2026

Ton Dong A Corp. (GDA)

Difficulties remain

12M rating **NON-RATED**

1Q26 - Export markets continue to decline, while domestic demand remains the savior

- In 1Q26, GDA recorded revenue of VND3,589bn, down 9.7% yoy. The revenue decline stemmed from both sales volume and average selling price (ASP).
    - **Total sales volume** in 1Q26 reached 188,796 tonnes, down 4.3% yoy (Fig 2), specifically:

      The domestic market continued to serve as GDA's savior amid challenging export conditions, with 1Q26 volume reaching 143k tonnes, up 22% yoy. This positive domestic trend was supported by: (i) a low interest rate environment and (ii) a sharp, visible increase in the number of real estate projects approved for construction in previous quarters.

      The export market consumed 46.1k tonnes, plunging 42% yoy. Notably, this downward trend has persisted since 4Q24, driven by: *(a)* oversupply in the Chinese market, *(b)* weak demand from the US and EU, and *(c)* a series of trade protectionist measures imposed by the US on basic steel products (tariffs, countervailing duties - CVD, and anti-dumping duties - AD).
    - **ASP** was recorded at USD726/tonne, down 6% yoy (Fig 3). This yoy-decline was primarily due to a lower sales proportion in the European and US markets, which command higher prices. Notably, however, compared to 4Q25, the ASP still edged down 3% qoq despite an upward trend in selling prices across all markets since the beginning of the year (Fig 3 & 4). According to our observations, this was likely because GDA increased its sales mix in the Southeast Asian market during 1Q26, which features the lowest selling prices among all regions (Fig 5).

	2021A	2022A	2023A	2024A	2025A
Sales (VND bn)	25,302	21,681	17,463	19,154	15,335
chg. (% YoY)	104.4	(14.4)	(19.3)	9.8	(20.0)
Operating profit (VND bn)	1,479	(301)	309	393	360
Net profit (VND bn)	1,210	(277)	284	342	272
EPS (VND)	11,823	(2,411)	2,472	2,981	1,823
chg. (% YoY)		(120.4)	(202.6)	20.6	(38.8)
EBITDA (VND bn)	1,813	140	647	660	672
PE (x)	-	(10.8)	10.5	5.2	7.5
EV/EBITDA (x)	2.1	53.7	11.8	12.0	11.3
PB (x)	-	0.86	0.82	0.47	0.52
ROE (%)	41.2	(8.0)	8.0	9.2	7.0
Dividend yield (%)	-	3.85	3.85	6.40	-

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest
Source: FiinproX, KIS Research

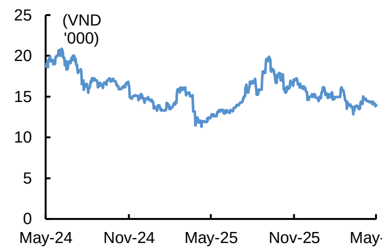
Stock Data

VNIndex (19 May, pt)	1,913
Stock price (19 May, VND)	13,700
Market cap (USD mn)	78
Shares outstanding (mn)	149
52-Week high/low (VND)	19,000/12,600
6M avg. daily turnover (USD mn)	0.05
Free float / Foreign ownership (%)	37.7/18.2
Major shareholders (%)	
BoD & related	56.82
Jfe Shoji Vietnam	7.44
Others	35.74

Performance

	1M	6M	12M
Absolute (%)	(2.8)	(15.9)	(4.6)
Relative to VNIndex (%p)	(8.4)	(32.4)	(54.5)

Stock price trend



Source: Bloomberg

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- **Gross profit** in 1Q26 reached VND160bn, down 43.4% yoy, with the gross margin (GPM) compressing to 4.5%, down 2.6 ppts yoy and 0.9 ppts qoq (Fig 7). The qoq-decline in GPM stemmed from ASP being adjusted downward faster than COGS, likely due to GDA accelerating its export volume to the Southeast Asian market as mentioned above. Meanwhile, input HRC prices from both domestic and imported sources recorded a slight decrease in 1Q26 (Fig 6).
- **Net profit** was recorded at VND51bn, down 19% yoy, cushioned by narrowed selling expenses as export activities slowed down during the period (1Q25: VND164bn; 1Q26: VND51bn, down 69% yoy).

2Q26F – Headwinds Persist

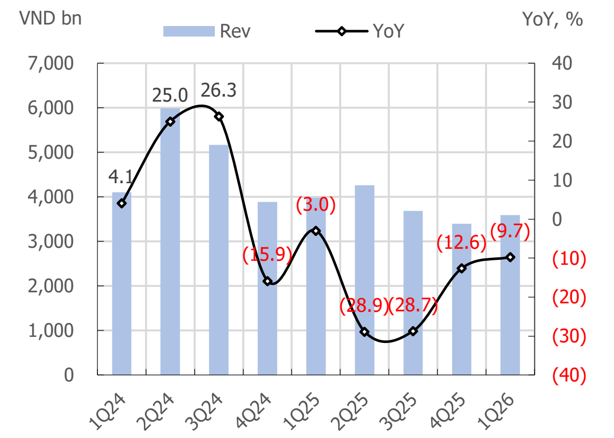
- We forecast that GDA's sales trend and financial performance in the coming quarters will generally align with the broader steel-sheeting industry trend, specifically in 2Q26F:
  - *Sales volume* in 2Q26F is highly projected to post negative growth due to:
    - (a) Export activities showing no signs of recovery, with potential risks worsening from quota reductions and higher over-quota tariff rates in Europe for Vietnamese steel-sheeting products starting early 2H26.
    - (b) Domestic growth momentum potentially slowing down as construction activities are gradually hit by the upward interest rate trend.
  - *Gross margin* is forecasted to show minimal positive turnaround:
    - (i) Domestic market: Since late Mar 2026, GDA has hiked its domestic steel-sheeting and pipe selling prices three times; however, the magnitude of these price hikes closely mirrors the upward trend of input HRC prices.
    - (j) Meanwhile, the rapid surge in input HRC costs in early 2Q26 has broadly erased the advantage gained from the export price increases seen since early 1Q26 (Fig 4 & 6).

Table 1. Quarterly earnings snapshot in 1Q26 (VND bn, %, %p)

	1Q25	2Q25	3Q25	4Q25	1Q26	QoQ	YoY
Sales	3,977	4,257	3,680	3,397	3,589	5.7	(9.7)
OP	97	132	100	72	84	16.6	(13.6)
OP margin	2.3	2.7	1.9	(1.2)	(0.5)	0.6	(2.8)
EBT	82	108	107	60	67	12.6	(17.6)
NP	63	88	85	37	51	38.6	(19.2)

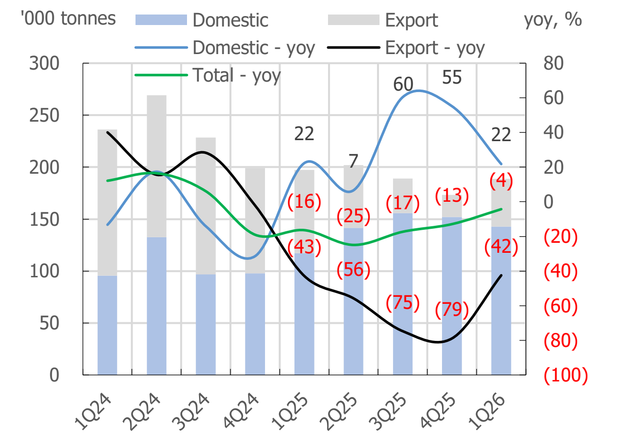
Source: Company data, FiinproX, KIS Research

Figure 1. Total revenue declined 9.7% yoy ...



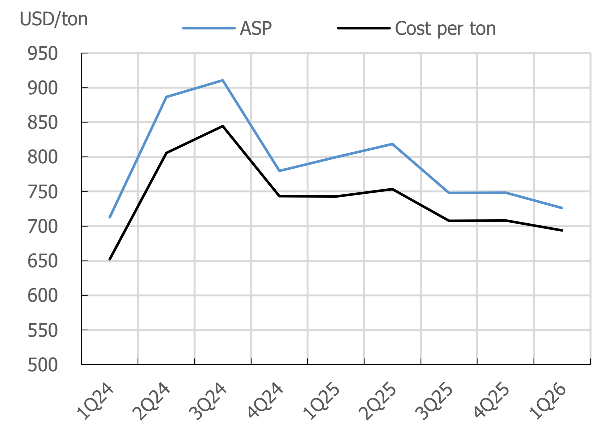
Source: Company data, KIS Research

Figure 2. ... Export markets continue to decline, while domestic demand remains the savior



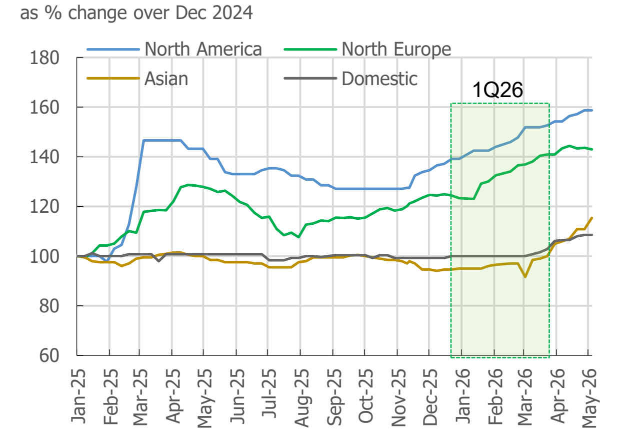
Source: VSA, KIS Research

Figure 3. Notably, the ASP still edged down 3% qoq ...



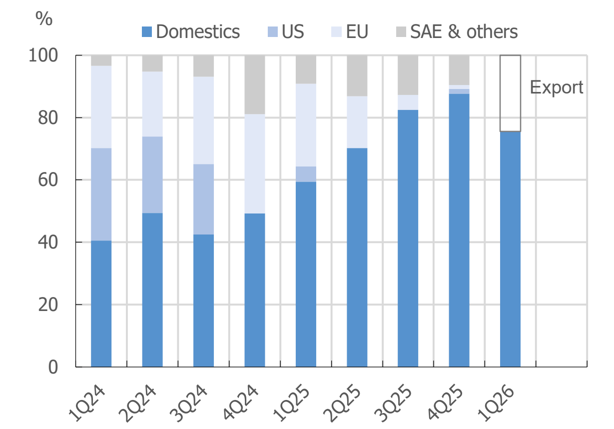
Source: Company data, VSA, KIS Research

Figure 4. ... Despite an upward trend in selling prices across all markets since the beginning of the year ...



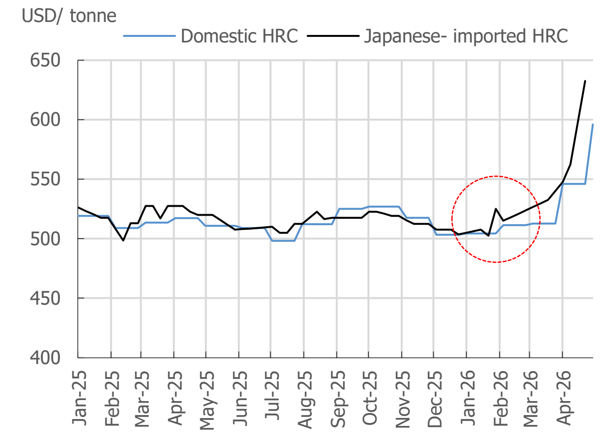
Source: Bloomberg, Thitruongthep, KIS Research

Figure 5. ... According to our observations, this was likely because GDA increased its sales mix in the Southeast Asian market during 1Q26, which features the lowest selling prices among all regions



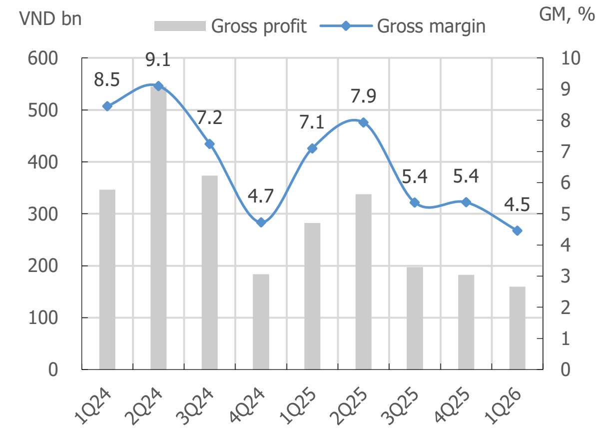
Source: VSA, Tradeint, KIS Research

Figure 6. Meanwhile, input HRC prices from both domestic and imported sources recorded a slight decrease in 1Q26



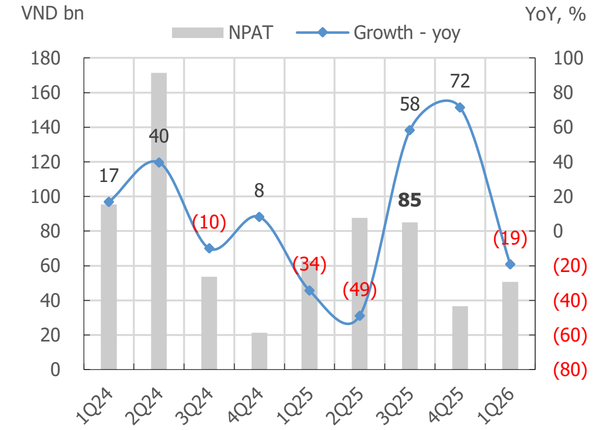
Source: Thitruongthep.com, KIS Research

Figure 7. The gross margin compressing to 4.5%, down 2.6 ppts yoy and 0.9 ppts qoq



Source: Company data, KIS Research

Figure 8. Net profit was recorded at VND51bn, down 19% yoy, cushioned by narrowed selling expenses as export activities slowed down



Source: Company data, KIS Research

■ **Company overview**

Ton Dong A Corporation (GDA) was established in 1998 and is one of Vietnam's leading manufacturers in the steel industry. The company specializes in the production and trading of coated steel products, including galvanized steel, galvalume steel, and pre-painted steel coils. Looking ahead, GDA is investing in a new galvanized steel sheet plant in Phú Mỹ with a design capacity of 1.2 million tons/year, which would bring its total capacity close to 2 million tons/year once completed.

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