Aug 08th, 2025

Shinhan Securities



Hoa Phat Group JSC

[Vietnam / Steel]

Bloomberg Code (HPG VN) | Reuters Code (HPG.HM)

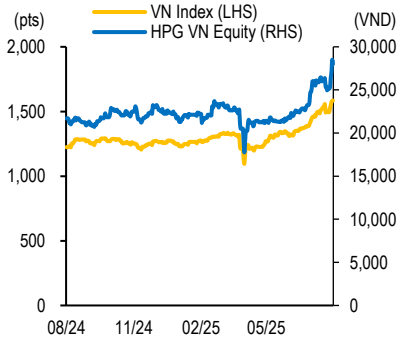
BUY

Update Report

Target price (12 months)	**30,200 VND**
Current price (08/08/25)	28,000 VND
Return (%)	7.8%

VNINDEX		1,585
HNXINDEX		276.46
Market Cap (bn VND)		214,913
Outstanding shares (mn)		7,675
Free-Floating (mn)		4,527
52-Wk High/Low (VND)		17,750/28,650
90-day avg trading volume (mn)		43.17
90-day avg turnover (bn VND)		1,072
Major shareholders (%)	Tran Dinh Long	26.08%
	Dragon Capital	7.65%

Performance	3T	6T	12T
Absolute (%)	30.7	26.1	31.3
Relative to VN-Index (%)	5.9	1.8	0.1



Nguồn: Bloomberg

Le Thien Huong

(84-28) 6299-8004

huong.lt1@shinhan.com

Ly Bui – Head of Research

(84-28) 6299-8029

ly.btt@shinhan.com





Continue expanding capacity

Update coverage with HOLD call and target price of VND 30,200

Hoa Phat Group JSC (HPG) is one of Vietnam's leading steel producers. In H1/2025, HPG achieved 43% and 51% of its full-year revenue and net profit targets, respectively. In H2/2025, the company will fully operate the Dung Quat 2 plant, raising HRC capacity to 9 million tons/year, positioning itself to capture the industry's recovery cycle. Using the P/E and DCF valuation methods, we update our target price for HPG shares to VND 30,200.

Q2/2025 revenue declined due to lower selling prices, but profit grew strongly

In Q2/2025, HPG posted revenue of VND 35,910 bn (-5% QoQ, -9% YoY) and net profit of VND 4,264 bn (+27% QoQ, +28% YoY). Sales rose for construction steel 1.3 mt (+7% QoQ, flat YoY), HRC 1.1 mt (+7% QoQ, +47% YoY), steel pipes 220 kt (+17% QoQ, +15% YoY), and coated steel 110 kt (+24% QoQ, -11% YoY). Revenue fell on lower average selling prices (construction steel -2.9% YoY, HRC -12.3% YoY). GPM hit 18.4% (+4 ppts QoQ, +5.1 ppts YoY), the highest since early 2022, as input costs dropped faster (iron ore -13.9% YoY, coking coal -28.2% YoY). Agriculture surged (revenue +45% YoY, net profit +136% YoY) on high pork prices amid supply shortages from African swine fever. H1/2025 revenue was VND 73,532 bn (+4% YoY) and net profit VND 7,614 bn (+23% YoY), achieving 43% and 51% of annual targets.

Gross margin rebounded on lower raw material costs and steel price recovery

We maintain HPG's 2025 steel sales forecast at 10.4 million tons (+21% YoY). Despite H1 revenue and net profit reaching only 44% and 45% of full-year targets, no revision is needed as (1) construction demand usually rises in H2, and (2) DQ2 phase 2 will start in Sep 2025, boosting HRC output. We raise 2025 GPM to 15.5% (+1.8 ppts YoY) on (1) sharper-than-expected input cost declines and (2) steel price recovery, with China's prices expected to have bottomed on government supply cuts.

Dung Quat 2 phase 2 will commence operations in 09/2025

Dung Quat 2: phase 1 in commercial operation; phase 2 to start in 09/2025 (ahead of schedule), raising HPG's HRC capacity to 9 mt/year. **Rail steel project:** construction starts 08/2025, total investment VND 10,000 bn, capacity 700,000 tons/year, expected to operate in Q3/2028.

Agriculture: projected stable growth in 2025, GPM to remain at 13–14%.

We forecast 2025 revenue at VND 169,329 billion (+21.9% YoY) – a record high for HPG – and net profit at VND 15,991 billion (+33.0% YoY).

Risks : (1) Risk of fluctuations in steel and coke prices; (2) Slow penetration of real estate market support policies; (3) Risks of the real estate market situation in China, (4) Risks of competing with cheap steel from China; (5) Risks of exporting to Europe and the U.S.

Year to Dec.	2023	2024	2025F	2026F	2027F
Revenue (bn VND)	118,953	138,855	169,329	208,088	231,653
OP (bn VND)	7,651	13,267	17,592	24,442	28,447
NP (bn VND)	6,800	12,020	15,991	22,192	25,463
EPS (VND)	1,117	1,566	2,088	2,633	2,745
BPS (VND)	17,674	17,878	17,214	18,230	19,242
OPM (%)	6.4	9.6	10.4	11.7	12.3
NPM (%)	5.7	8.7	9.4	10.7	11.0
ROE (%)	6.6	10.5	12.1	14.4	14.2
PER (x)	23.8	16.8	12.6	10.0	9.6
PBR (x)	1.6	1.5	1.5	1.4	1.4
EV/EBITDA (x)	11.9	13.0	8.1	6.6	5.6

Source: Company data, Shinhan Securities Vietnam

Shinhan Securities Vietnam Co., Ltd. does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Analysts employed by Shinhan Securities Vietnam Co., Ltd. , or a non-US affiliate thereof, are not registered/qualified as research analysts with FINRA, may not be associated persons of the member and may not be subject to FINRA restrictions on communications

Update on China steel prices

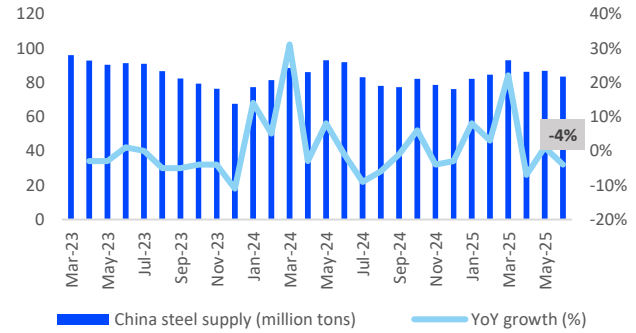
As of July 31, 2025, China's spot hot-rolled coil (HRC) price was USD 485/ton, up 10.5% from the June low, supported by government supply-cut efforts. Crude steel supply in China fell to 83.2 mt in June (-9.2% YoY). We believe China's steel price recovery may face short-term volatility given the still-weak property sector, but in the medium to long term, supply-cut measures should help prices bottom from current record lows, supporting our HPG margin growth forecast.

China spot HRC price movement (USD/ton)



Source: Bloomberg, Shinhan Securities Vietnam

China crude steel supply



Source: CISA, Shinhan Securities Vietnam

Update on capacity expansion progress

HPG plans to commission Blast Furnace No. 6 under phase 2 of the Dung Quat 2 project in September 2025 (ahead of the original Q4/2025 schedule). Once operational, HPG's crude steel capacity will reach 16 million tons/year, including 9 million tons/year for HRC production. With this expansion, HPG is confident it can meet domestic HRC demand in the coming period.

Hoa Phat Dung Quat 2 iron and steel complex



Source: HPG, Shinhan Securities Vietnam

In addition, on August 19, 2025, HPG will commence construction of a high-speed railway rail and special steel section plant in the Dung Quat Economic Zone. The project has a total investment of about VND 10,000 billion, a designed capacity of 700,000 tons/year, and is expected to begin operations in Q3/2028. Once operational, it will promptly supply railway rails for key national projects, including the North–South high-speed railway, the Hanoi–Lao Cai–Hai Phong urban railway system, and many other major works.

Update Q2/2025 business results and 2025 forecast

Items	Q2/2025 (Billion VND)	%YoY	2025F (Billion VND)	%YoY	Note
Net revenue	**35,911**	**-9%**	**169,329**	**+22%**	Q2/2025 revenue fell 9% YoY despite higher sales, as prices dropped (construction steel -2.9% YoY, HRC -12.3% YoY). We expect sales of 10.4 mt (+21% YoY) and a 5% price recovery in 2025, aided by China's steel prices bottoming, boosting revenue growth.
Output (thousand tons)					
Construction steel	1,277	0%	4,930	10%	Q2/2025 construction steel output was flat YoY due to the southern rainy season and a blast furnace shutdown, causing a short-term crude steel shortage. We forecast 2025 output at 4.9 mt, backed by a real estate rebound and faster public investment.
HRC	1,174	47%	4,325	48%	Q2/2025 HRC output rose 47% YoY on (1) anti-dumping duties for Chinese HRC and (2) added capacity from Dung Quat 2 phase 1 in March 2025. With 5-year duties in place and full DQ2 operation from September 2025, we project 2025 HRC output at 4.3 mt (+48% YoY).
Steel Pipe	220	15%	742	5%	Steel pipe output stayed strong in Q2 on domestic demand, while coated steel fell 11% YoY from weaker U.S. demand after Sep 2024 duties and fierce local competition. We forecast a 10% YoY decline in 2025.
Galvanized Steel	110	(11%)	401	(10%)	
Gross Profit	**6,590**	**26%**	**25,923**	**40%**	In Q2/2025, HPG's GPM rose to 18.4% from 14.4% in Q1, driven by lower input costs (coking coal -28.2% YoY, iron ore -13.9% YoY). We lift the 2025 GPM forecast to 15.5% (+1 ppt) on sharper-than-expected cost declines and a steel price rebound, supported by expectations China's prices have bottomed amid supply tightening.
Gross Profit Margin	18.4%		15.5%		
SG&A expenses	1,148	1%	4,458	15%	
Profit from Operating Activities	**5,442**	**32%**	**17,592**	**32%**	
EBIT	4,972	33%	18,161	33%	
NPAT	**4,265**	**28%**	**15,991**	**33%**	

Valuation and recommendation

Update valuation with BUY recommendation, target price 30,200 VND

Shares of Hoa Phat Group JSC (HPG) have risen over 30% in the past three months. We update our valuation with a Hold recommendation and a target price of VND 30,200, implying a 6% upside, based on:

(1) Vietnam's steel giant and the production boost potential from the Dung Quat 2;

(2) Tailwinds from the residential real estate market and public investment;

(3) Gross margin improvement driven by lower input costs and steel price recovery;

(4) Anti-dumping duties on HRC from China and India support higher domestic sales volume.

Valuation method

We apply a combination of P/E and Discounted Cash Flow (FCFF) valuation methods with proportions of 50% and 50% respectively, to valuate Hoa Phat Group Joint Stock Company (HPG).

Method	Density	Price (VND)
P/E	50%	30,300
FCFF	50%	30,000
Target price		**30,200**
Current price (08/08/2025)		28,000
Profit rate (%)		**7.8%**

Source: Shinhan Securities Vietnam

Discounted Cash Flow method (DCF) – FCFF

Variable	Value
D/E	0.44
Beta	1.08
Risk - free rate	3.1%
Cost of equity	12.12%
Cost of debt	7.05%
WACC	10.85%

Source: Bloomberg, Shinhan Securities Vietnam

For the weighted average cost of capital (WACC), we use the 10-year Vietnamese government bond yield of 3.1% as the risk-free rate. Beta is calculated based on HPG and VNINDEX data over the past five years. Based on these assumptions, HPG's target price under the FCFF method is valued at VND 30,200.

FCFF model

Unit: VND billion	2025F	2026F	2027F	2028F	2029F
Net profit	15,991	22,192	25,463	27,545	30,372
Plus: After-tax interest expense	5,652	6,660	6,583	5,922	5,571
Plus: Non-cash charges	11,097	10,101	10,178	9,790	8,488
Minus: Change in working capital	764	12,973	8,133	9,144	3,693
Minus: Capital expenditure	12,115	6,926	6,695	6,916	6,903
Free cash flows to the firm (FCFF)	**19,860**	**19,055**	**27,396**	**27,198**	**33,835**
Discount rate	0.95	0.86	0.77	0.70	0.63
Present value of FCFF	18,863	16,326	21,174	18,963	21,281
Terminal growth rate	0%				
Present value of terminal value	196,063				
Enterprise value	**292,669**				
Minus: Total debt	90,590				
Plus: Cash balance	28,272				
Minus: Minority interest	7.676(*)				
Number of shares outstanding (bn shares)	**30,000**				

Source: Company data, Shinhan Securities Vietnam

(*) Share count adjusted for dividend distribution, as of August 8, 2025.

P/E method

Based on the P/E method, we collected data from domestic and international steel companies. We estimate HPG's target P/E at 14.5x. Combined with the projected 2025 EPS of VND 2,088, HPG's target price is valued at VND 30,300.

Comparison of peer enterprises

Company name	Country	PS	Market cap. (USD mn)	Revenue growth YoY (%)	EPS growth YoY(%)	ROA (%)	ROE (%)
Hoa Sen	Vietnam	22.22	0.395	(12.28)	(0.67)	2.40	4.16
Nam Kim	Vietnam	22.11	0.226	(32.72)	(68.51)	1.64	3.59
Baoshan Iron & Steel	China	20.20	21.736	(9.82)	(22.22)	2.63	5.59
Beijing Shougang Co Ltd	China	15.44	3.589	(10.18)	n.a	1.40	2.85
Jindal Stainless Ltd	India	15.90	6.777	7.88	10.97	14.23	22.42
Steel Authority of India	India	18.90	6.360	8.02	5,433	4.86	3.97
TA Chen Stainless pipe	Taiwan	12.00	0.371	(6.18)	(76.36)	4.3	7.35
Western Superconducting Techno	China	19.67	4.149	35.31	52.94	7.35	13.84
Average			**18.3x**				
Median			**19.29x**				
5 years average P/E			**11.1x**				
P/E forward			**14.5x**				
EPS forward			**2,088**				
Target price			**30,300**				

Source: Bloomberg, Shinhan Securities Vietnam

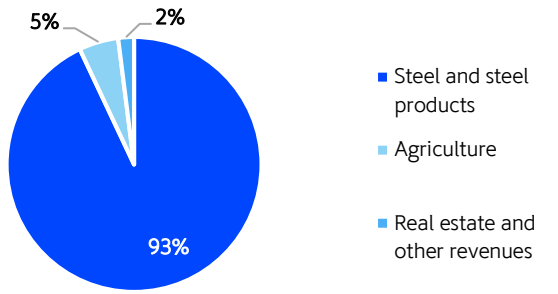
Company background

Company history

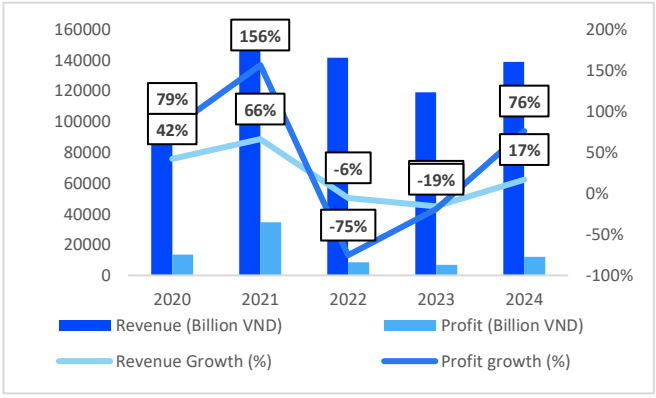
Hoa Phat was established in August 1992, beginning as a construction machine trading company, then expanded to other fields such as furniture, steel pipes, construction steel, refrigeration, real estate, and agriculture. On November 15, 2007, Hoa Phat officially listed shares on the Vietnam stock market with the stock ticker HPG.

Currently, the group operates in 05 fields: **Iron and steel (construction steel, hot rolled steel), Steel products (including steel pipes, galvanized steel sheets, wire drawing steel, pre-stressed steel), Agriculture, Real estate and household electrical appliances**. Hoa Phat's core business is Steel, contributing over 90% of the group's revenue and profit. With an average capacity of 8.5 million tons of crude steel/year, Hoa Phat holds the top 1 market share in Vietnam for construction steel and steel pipes, the top 10 largest private enterprises in Vietnam and is in the top 15 steel companies with largest capitalization in the world steel industry. Hoa Phat's average revenue and profit growth rate from 2019-2023 reaches 22% and 35%.

Hoa Phat revenue structure in 2024 (%)

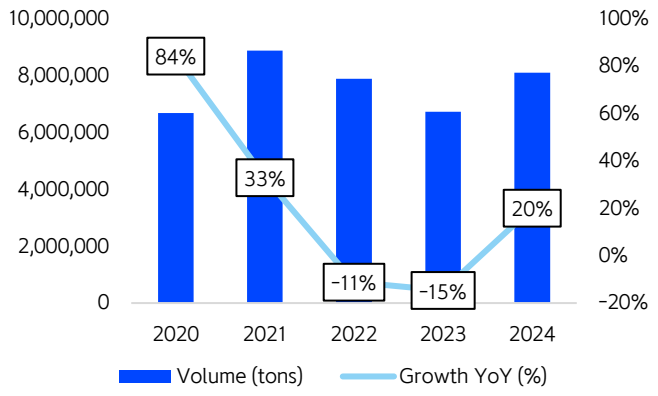


Hoa Phat revenue and profit 2020-2024

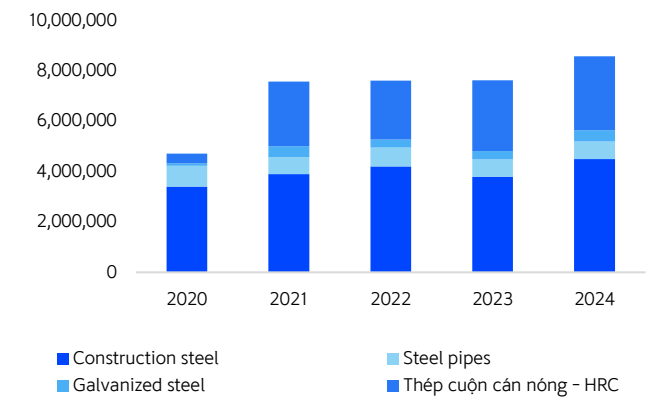


Source: Company report, Shinhan Securities Viet Nam

Hoa Phat sales volume 2020 – 2024 (tons)



Consumption volume by product 2020-2024 (tons)



Source: Company report, Shinhan Securities Viet Nam

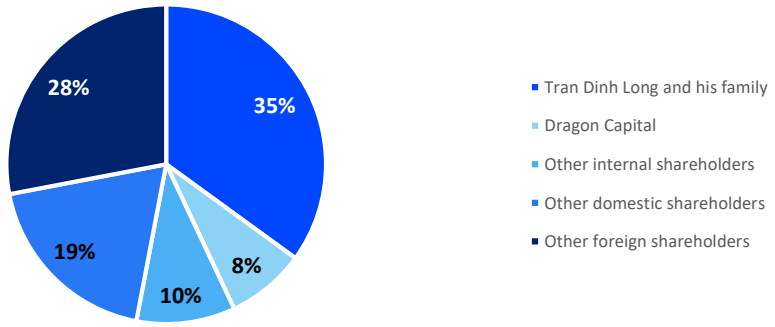
Hoa Phat's main steel products include: construction steel, hot rolled steel coil - HRC, steel billets, steel pipes and galvanized steel sheets. Of which, the largest contributions are construction steel (50%) and hot rolled steel - HRC (37%).

Hoa Phat Steel's sales volume also increased significantly. Within 5 years, Hoa Phat's steel output increased from 6.7 million tons in 2020 to 8.1 million tons in 2024.

1. Shareholders structure

HPG's outstanding share volume as of May 22, 2025 is nearly 6.4 billion shares. Of which, the total ownership of Mr. Tran Dinh Long - Chairman of the Board of Directors of HPG and his family is 35%. In addition, Dragon Capital fund holds 8%, other internal shareholders hold 10%, and the remaining are other domestic and foreign shareholders.

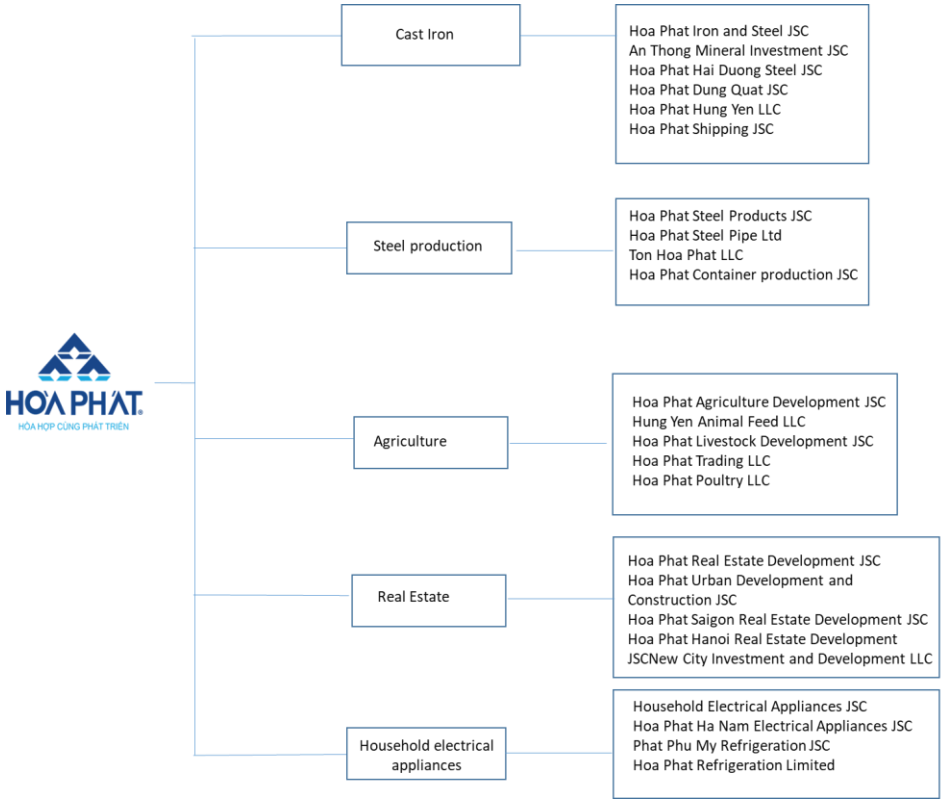
Shareholders structure of Hoa Phat (%)



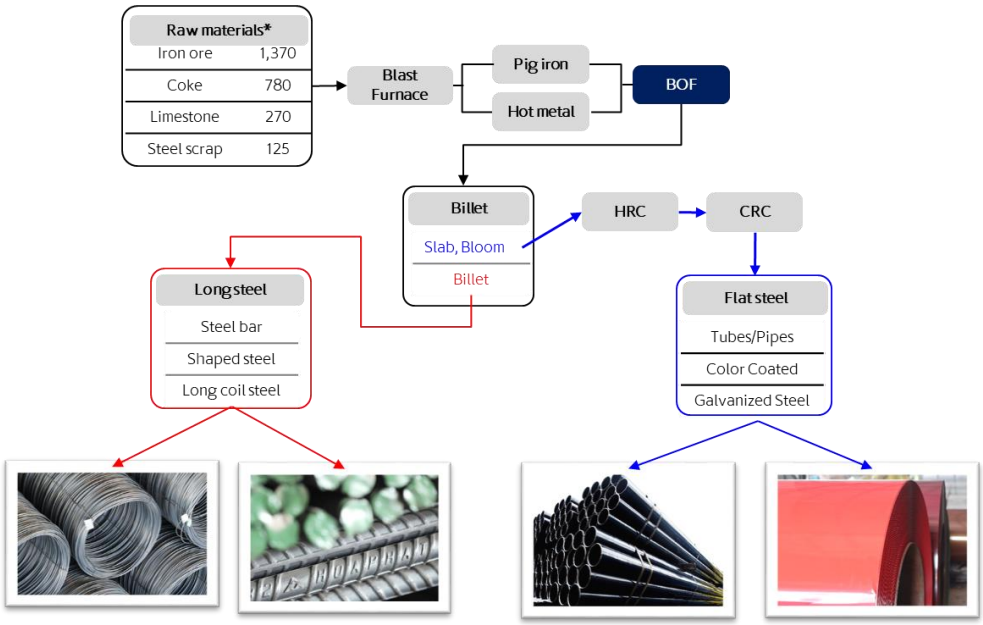
Source: Company report, Shinhan Securities Viet Nam

2. Organizational structure

HPG's business activities include 5 segments: **Iron and Steel, Steel Products, Agriculture, Real Estate, and Electrical Appliances.** HPG owns a total of 24 subsidiaries with many different fields.



3. Value chain of steel segment

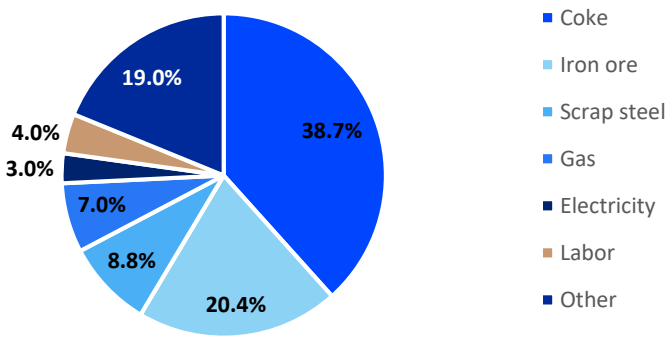


(*) Unit: ton

3.1. Input:

Coke, iron ore and scrap steel are the three main components in HPG's steel production cost. The enterprise uses blast furnace technology to refine iron and blowing oxygen furnace (BOF) to refine steel. In 2024, coke (38.7%), iron ore (20.4%), and scrap steel (8.8%) account for 67.9% of the cost of making 1 ton of steel using BOF furnace technology.

Cost structure of Hoa Phat steel segment (%)



Source: Company report, Shinhan Securities Viet Nam

3.2. Manufacture:

HPG uses modern European closed cycle steel production technology, with main stages including: Refining raw materials (sintering, pelletizing iron ore + coke refining) -> Blast furnace -> Blowing furnace -> Billet casting -> Steel rolling. With a designed capacity by 2024 of 8.5 million tons of crude steel/year, HPG's steel production activities are concentrated in 3 provinces of Hai Duong, Hung Yen and Quang Ngai.

The enterprise has plans to expand its iron and steel segment by building Hoa Phat Dung Quat 2 factory, expected to come into operation in 2025 and increase Hoa Phat's crude steel capacity to 14.5 million tons/ year.

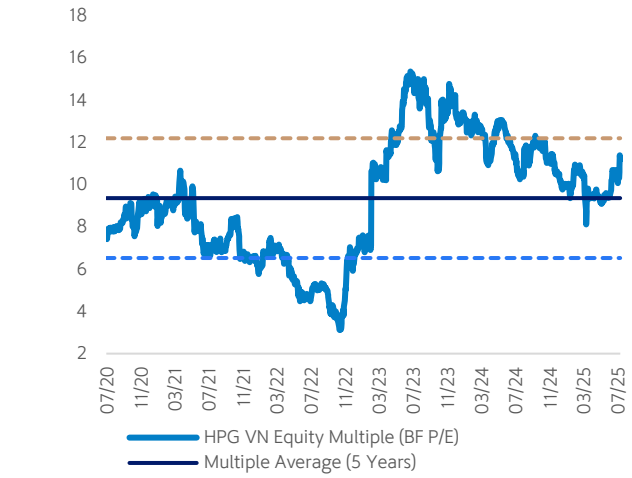
3.3. Output:

HPG's product portfolio is more extensive than other businesses on the market. HPG's steel segment output includes trading steel billets and post-rolled products including **construction steel, special steel (black wire, galvanized wire,...)**, **HRC steel, steel pipes and galvanized steel sheets.** In Vietnam, only HPG has the capacity to produce special steel products such as prestressed steel (PC Bar and PC strand), galvanized steel wire, container shells, to serve export to demanding markets such as EU, US, Canada,...

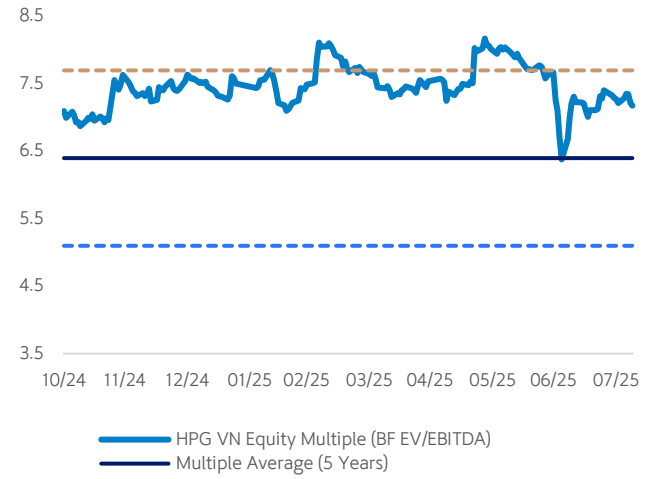


Despite experiencing many ups and downs in the domestic and world steel market, HPG's market share not only maintained but also continuously grew. As of June 2024, **HPG supplies 38% and 27% of domestic construction steel and steel pipes, respectively.**

P/E

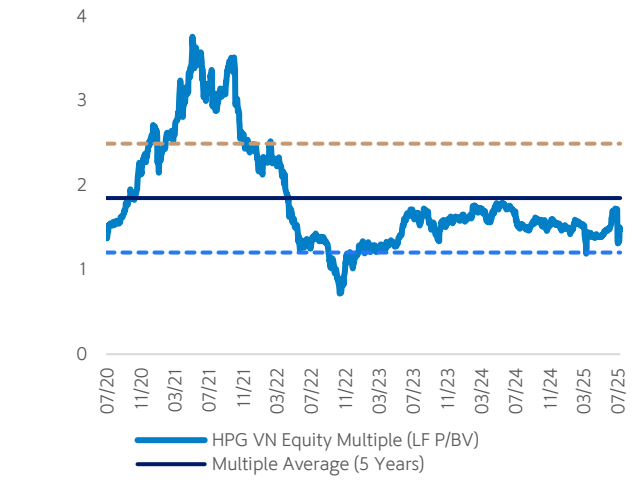


EV/EBITDA

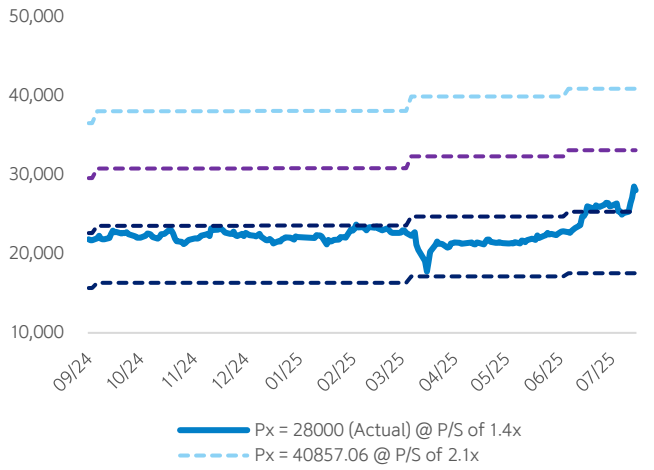


Source: Bloomberg data, Shinhan Securities Vietnam

P/B

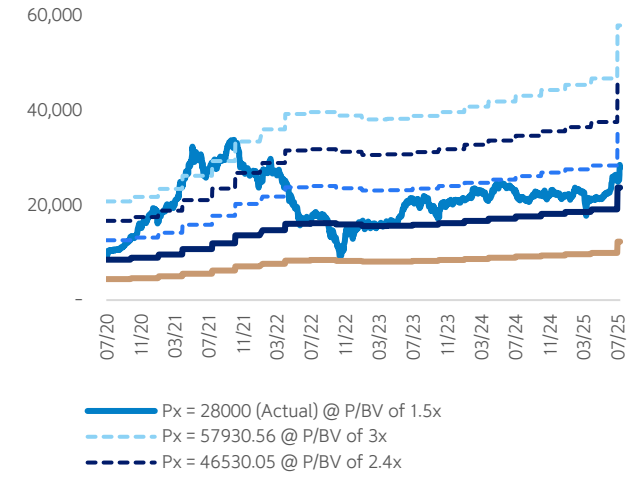


P/S band

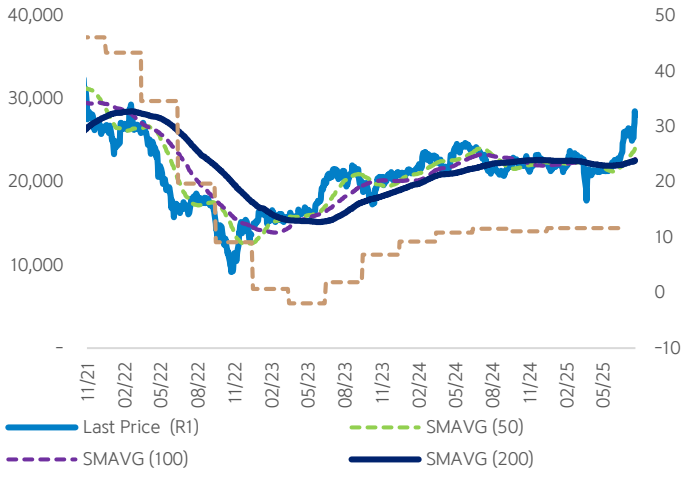


Source: Bloomberg data, Shinhan Securities Vietnam

P/B band

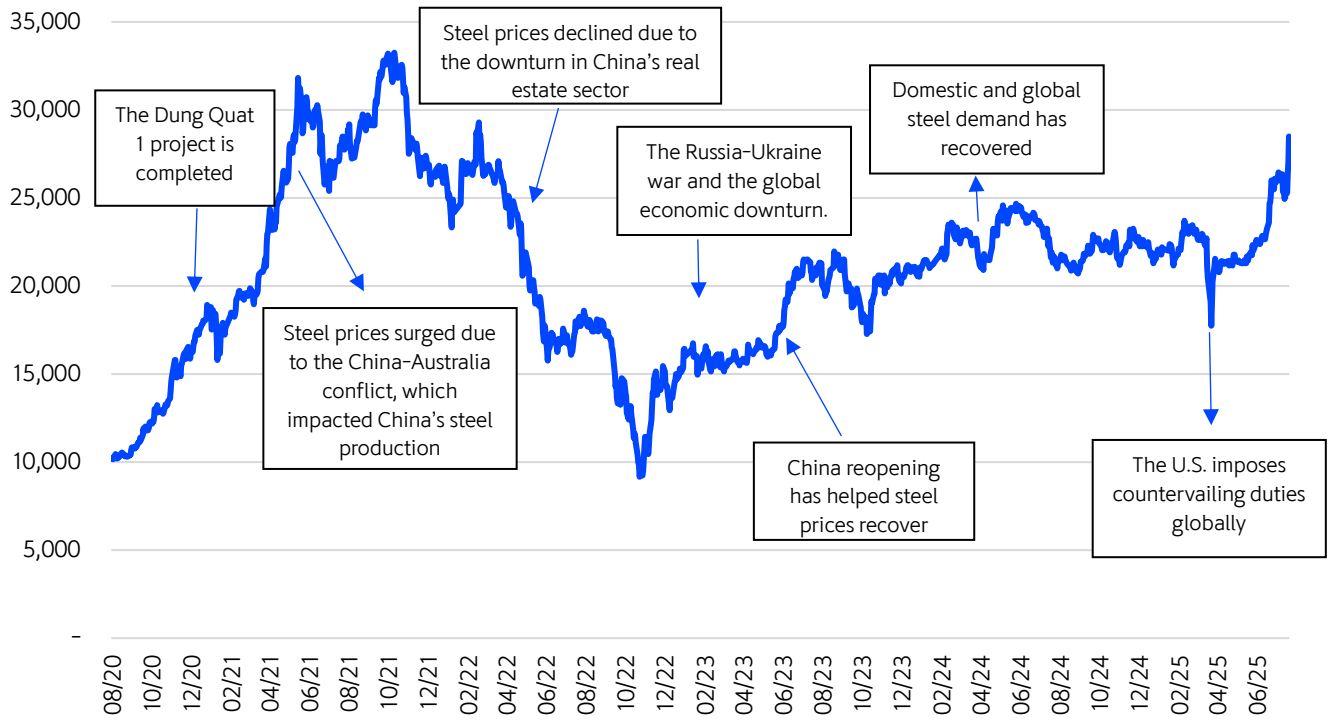


ROE and MA 5 year



Source: Bloomberg data, Shinhan Securities Vietnam

Key event chart of HPG



Source: Bloomberg, Company data, Shinhan Securities Vietnam

Risks

Risk of fluctuations in steel and coke coal prices

Steel price fluctuations have a great impact on Hoa Phat's selling price. With the ratio of export revenue accounting for 20% - 30% of Hoa Phat's revenue, steel selling prices are influenced by changes in domestic and world steel prices. Coke coal price directly affects Hoa Phat's input costs, thereby directly affecting Hoa Phat's profit margin.

Risk of unstable domestic real estate market

The real estate market directly affects Hoa Phat's steel consumption. Steel consumption in the real estate sector accounts for more than 30% of domestic steel consumption. Unstable developments in the real estate situation will negatively affect the steel industry.

Risks of the real estate market situation in China

Vietnam is currently importing a large amount of Chinese steel (especially hot rolled steel products - HRC). Unstable developments in China's real estate market will cause the country's steel prices to stay low, affecting Vietnam's domestic steel prices.

Risks of exporting to Europe and the U.S

The European Commission (EC) has issued a decision to investigate anti-dumping duties on steel imports until June 2026, while applying a 15% quota on steel imports from other countries (equivalent to 142,000 tons per quarter for Vietnam). Additionally, the EC has received a request to investigate anti-dumping on HRC imports from Vietnam. If this duty is imposed, Hòa Phát will need to reduce its reliance on the European market. Furthermore, the U.S. has imposed a 25% tariff on steel imports under Section 232 since 2018. In 2025, the global trend of trade protectionism is expected to continue, creating significant barriers for steel-exporting companies, including Hòa Phát, when accessing export markets.

Risk of competition with cheap steel from China

Chinese steel imports into Vietnam surged in 2024, while import prices declined due to severe oversupply in China. Currently, Vietnam's Ministry of Industry and Trade has imposed anti-dumping duties on galvanized steel and HRC from China, India, and South Korea to protect domestic producers. However, if Chinese steel prices continue to fall, domestic steel prices will remain under pressure, negatively impacting the business performance of local steel companies.

Appendix: Financial statements

Statement of financial position

Year to Dec. (bn VND)	2023	2024	2025F	2026F	2027F
Total assets	**187,783**	**224,490**	**235,525**	**277,257**	**308,298**
Current assets	82,716	87,079	97,328	142,235	176,760
Cash & equivalents	12,252	6,888	9,863	36,663	59,114
Short-term financial asset	22,177	18,975	27,885	34,267	38,148
Accounts receivable	10,702	7,622	12,906	13,586	15,553
Inventories	34,504	46,521	43,487	54,453	61,029
Non-current assets	105,066	137,411	138,197	135,022	131,539
Net fixed assets	71,787	67,244	106,650	127,765	124,420
Investment assets	40	137	88	88	88
Other long-term assets	4,454	4,587	4,587	4,587	4,587
Total liabilities	**84,946**	**109,842**	**103,300**	**123,204**	**129,424**
Current liabilities	71,513	75,503	72,648	95,746	108,523
Accounts payable	16,532	19,621	15,450	15,642	17,583
Short-term borrowings	54,982	55,883	57,199	80,104	90,940
Others	4,144	5,511	5,545	6,984	7,452
Non-current liabilities	13,433	34,339	30,652	27,458	20,902
Long-term borrowings	10,399	27,080	23,393	20,200	13,643
Other financial liabilities	3,034	7,258	7,258	7,258	7,258
Total shareholders' equity	**102,836**	**114,647**	**132,225**	**154,053**	**178,874**
Capital stock	58,148	63,963	76,755	84,431	92,874
Capital surplus	3,212	0	3,212	3,212	3,212
Other capital	41,411	50,392	52,159	66,276	82,620
Retained earnings	40,593	49,576	51,340	65,458	81,801
Non-controlling interest equity	66	293	100	135	169
*Total debt	65,381	82,963	80,592	100,304	104,583
*Net debt (cash)	30,952	57,101	42,844	29,373	7,321

Statement of comprehensive income

Year to Dec. (bn VND)	2023	2024	2025F	2026F	2027F
Revenue	**118,953**	**138,855**	**169,329**	**208,088**	**231,653**
Growth (%)	-15.9	16.7	21.9	22.9	11.3
COGS	**(106,015)**	**(120,358)**	**(143,406)**	**(173,305)**	**(192,904)**
Gross profit	**12,938**	**18,498**	**25,923**	**34,783**	**38,749**
GPM (%)	10.9	13.3	15.3	16.7	16.7
SG&A	**(3,269)**	**(3,883)**	**(4,458)**	**(5,612)**	**(6,332)**
Operating profit	**7,651**	**13,267**	**17,592**	**24,442**	**28,447**
Growth (%)	(0.2)	0.7	0.3	0.4	0.2
OPM (%)	6.4	9.6	10.4	11.7	12.3
Non-operating profit	**(1,876)**	**(921)**	**(3,589)**	**(4,374)**	**(3,650)**
Financial income	3,173	2,619	3,158	3,404	3,682
Financial expense	(5,192)	(3,967)	(7,031)	(8,133)	(7,652)
In which: interest expenses	(3,585)	(2,287)	(4,958)	(5,842)	(5,775)
Net other non-operating profit	142	426	284	355	320
Pre-tax profit	**5,774**	**12,346**	**14,004**	**20,068**	**24,797**
Income tax	81	(1,248)	(2,170)	(2,960)	(3,624)
Net profit	**6,800**	**12,020**	**15,991**	**22,192**	**25,463**
Growth (%)	(19.5)	76.8	33.0	38.8	14.7
NPM (%)	5.7	8.7	9.4	10.7	11.0
Controlling interest	6,835	12,020	16,026	22,227	25,498
Non-controlling interest	(35)	0	(35)	(35)	(35)
EBIT	**11,378**	**15,981**	**23,118**	**30,995**	**34,861**
Growth (%)	(12.5)	40.5	44.7	34.1	12.5
EBIT Margin (%)	9.6	11.5	13.7	14.9	15.0
EBITDA	**17,736**	**21,748**	**34,215**	**41,096**	**45,039**
Growth (%)	(9.1)	22.6	57.3	20.1	9.6
EBITDA margin (%)	14.9	15.7	20.2	19.7	19.4

Statement of cash flow

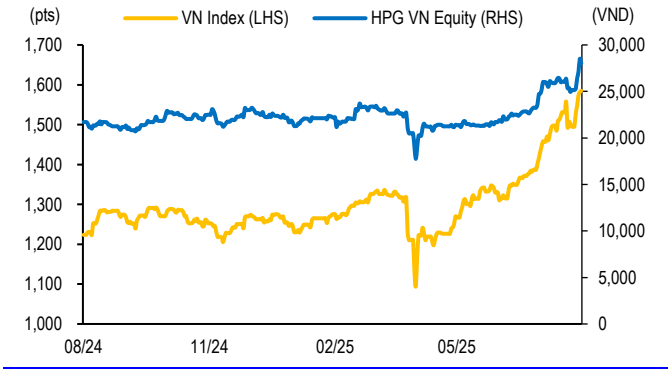
Year to Dec. (bn VND)	2023	2024	2025F	2026F	2027F
Cash flow from operations	**8,643**	**7,027**	**24,651**	**17,264**	**25,219**
Net profit	6,800	12,020	15,991	22,192	25,463
Depreciation expense	6,359	5,767	11,097	10,101	10,178
(Gain) from investing activities	(1,928)	(1,256)	(1,673)	(2,056)	(2,289)
Change in working capital	(2,151)	(8,776)	(764)	(12,973)	(8,133)
Others	(437)	(728)	0	-	-
Cash flow from investments	**(11,995)**	**(30,143)**	**(19,304)**	**(11,252)**	**(8,286)**
Change in fixed assets	(5,994)	19	(48,829)	(29,160)	(4,544)
Change in investment assets	4,052	3,106	(8,862)	(6,383)	(3,881)
Others	(10,053)	(33,269)	38,387	24,291	138
Cash flow from financing	**7,276**	**17,752**	**(2,371)**	**20,823**	**5,555**
Change in equity	-	5,815	-	-	-
Net borrowing	7,284	11,942	(2,371)	19,711	4,280
Dividends	(8)	(5)	-	1,111	1,275
Change in total cash	**3,924**	**(5,365)**	**2,976**	**26,835**	**22,487**
Beginning cash	8,325	12,252	6,888	9,864	36,699
Change in FX rates	-	-	-	-	-
Ending cash	12,252	6,888	9,864	36,699	59,185

Key ratios

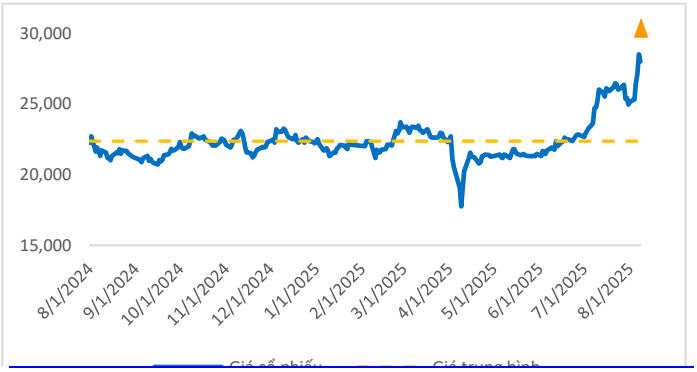
Year to Dec.	2023	2024	2025F	2026F	2027F
EPS (VND)	1,117	1,566	2,088	2,633	2,745
BPS (VND)	17,674	17,878	17,214	18,230	19,242
PER (x)	23.8	16.8	12.6	10.0	0.0
PBR (x)	1.6	1.5	1.5	1.4	0.0
EV/EBITDA (x)	11.9	13.0	8.1	6.6	0.0
Dividend payout ratio (%)	0%	0%	0%	5%	5%
Dividend yield (%)	0.0	0.0	5.0	5.0	6.0
Profitability					
EBITDA margin (%)	14.9	15.7	20.2	19.7	19.4
OPM (%)	6.4	9.6	10.4	11.7	12.3
NPM (%)	5.7	8.7	9.4	10.7	11.0
ROA (%)	3.6	5.4	6.8	8.0	8.3
ROE (%)	6.6	10.48	12.1	14.4	14.2
Stability					
Debt to equity ratio (%)	63.6	72.4	61.0	65.1	58.5
Net debt ratio (%)	174.5	262.6	125.2	71.5	16.3
Cash ratio (%)	48.1	34.3	52.0	74.1	89.6
Interest coverage ratio (x)	3.2	7.0	4.7	5.3	6.0
Activity (%)					
Payable turnover (times)	36.0	34.8	25.9	16.3	14.8
Inventory turnover (days)	118.8	122.9	114.5	103.1	109.3
Receivable turnover (days)	31.6	24.1	22.1	23.2	23.0

Hoa Phat Group JSC (HPG)

Share price



Target price (VND)



Date	Rating	TP (VND)	TP gap (%)	
			TB	Max/Min
27/08/2024 (Initiation)	BUY	34,000	35.46	14.19/66.46
06/11/2024 (Update)	BUY	37,400	32.63	28.20/35.30
19/02/2025 (Update)	BUY	34,300	27.50	14.50/38.60
22/05/2025 (Update)	BUY	31.300	22.0	5.74/46.94
07/08/2025 (Update)	HOLD	30,200(*)	35.0	5.75/70.70

Note: Calculation of target price gap based on past 12 months

(*) Share count adjusted for dividend distribution, as of August 8, 2025

Shinhan Securities Vietnam

Stock	Sector
◆ **BUY:** Expected 12-month gain of 15% or more ◆ **HOLD:** Expected 12-month loss of 15% to gain of 15% ◆ **SELL:** Expected 12-month loss of 15% or more	◆ **OVERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated BUY ◆ **NEUTRAL:** Based on market cap, largest share of sector stocks under coverage is rated HOLD ◆ **UNDERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated SELL

Compliance & Disclosure Notice

Analyst Certification

- The following analysts hereby certify that their views about the companies and securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report: Huong Le

Important Disclosures & Disclaimers

- As of the date of publication, Shinhan Securities Vietnam Co., Ltd. does not beneficially own 1% or more of any class of common equity securities of the following companies mentioned in this report: HPG VN
- Shinhan Securities Vietnam Co., Ltd. or one of its affiliates, and/or their respective officers, directors, or employees may have interests, or long or short positions, and may at any time make purchases or sales as a principal or agent of the securities of the companies mentioned in this report.
- As of the date of publication, research analysts responsible for this report and members of their households do not have any financial interest in the debt or equity securities of the companies mentioned in this report.
- Research analysts responsible for this report receive compensation based upon, among other factors, the overall profitability of Shinhan Securities Vietnam Co., Ltd. including profits derived from investment banking. The analysts responsible for this report may also receive compensation based upon, among other factors, the overall profitability of sales and trading businesses relating to the class of securities or financial instruments for which such analysts are responsible.
- All opinions and estimates regarding the companies and their securities are accurate representations of the research analysts' judgments and may differ from actual results.
- This report is intended to provide information to assist investment decisions only, and should not be used or construed as an offer or a solicitation of an offer to buy or sell any securities. The information herein has been obtained from sources deemed reliable, but such information has not been independently verified and no guarantee, representation, or warranty, expressed or implied, is made as to its accuracy, completeness, or correctness. Shinhan Securities Vietnam Co., Ltd. makes the best effort but does not guarantee the accuracy, completeness, or correctness of information and opinions translated into English from original Vietnamese language materials. Shinhan Securities Vietnam Co., Ltd. accepts no liability whatsoever for any direct, indirect, and/or consequential loss arising from any use of this material or its contents. Stock selection and final investment decisions should be made at the investor's own and sole discretion.
- This report is distributed to our customers only, and any unauthorized use, duplication, or redistribution of this report is strictly prohibited.
- Investing in any Vietnamese securities or related financial instruments discussed in this research report may present certain risks. The securities of Vietnamese issuers may not be registered with, or be subject to the regulations of, the US Securities and Exchange Commission. Information on Vietnamese securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the US. The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in currencies other than the Vietnamese won is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Distribution

- United States: This report is distributed in the US by Shinhan Investment America, Inc., a member of FINRA/SIPC, and is only intended for major US institutional investors as defined in Rule 15a-6(a)(2) of the US Securities Exchange Act of 1934. All US persons that receive this document by their acceptance thereof represent and warrant that they are major US institutional investors and have not received this report under any express or implied understanding that they will direct commission income to Shinhan Securities Vietnam Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any US recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Shinhan Investment America, Inc., which accepts responsibility for the contents of this report in the US. The securities described herein may not have been registered under the US Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the US or to US persons unless they have been registered or are in compliance with an exemption from registration requirements.
- All Other Jurisdictions: Customers in all other countries who wish to effect a transaction in any securities referenced in this report should contact Shinhan Securities Vietnam Co., Ltd. or its affiliates only if distribution to or use by such customer of this report would not violate applicable laws and regulations and not subject Shinhan Securities Vietnam Co., Ltd. and its affiliates to any registration or licensing requirement within such jurisdiction.



Shinhan Investment Network

SEOUL

Shinhan Securities Co., Ltd

Shinhan Investment Tower

70, Youido-dong, Yongdungpo-gu,

Seoul, Korea 150-712

Tel : (82-2) 3772-2700, 2702

Fax : (82-2) 6671-7573

NEW YORK

Shinhan Investment America Inc.

1325 Avenue of the Americas Suite 702,

New York, NY 10019

Tel : (1-212) 397-4000

Fax : (1-212) 397-0032

Hong Kong

Shinhan Investment Asia Ltd.

Unit 7705 A, Level 77

International Commerce Centre

1 Austin Road West

Kowloon, Hong Kong

Tel : (852) 3713-5333

Fax : (852) 3713-5300

Indonesia

PT Shinhan Sekuritas Indonesia

30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia

Tel : (62-21) 5140-1133

Shanghai

Shinhan Investment Corp.
Shanghai Representative Office

Room 104, Huaneng Union Mansion No.958,

Luijiazui Ring Road, PuDong, Shanghai, China

Tel : (86-21) 6888-9135/6

Fax : (86-21) 6888-9139

Ho Chi Minh

Shinhan Securities Vietnam Co., Ltd.

18th Floor, The Mett Tower, 15 Tran Bach Dang Street,

Thu Thiem Ward, Thu Duc City, Vietnam

Tel : (84-8) 6299-8000

Fax : (84-8) 6299-4232

Ha Noi

Shinhan Securities Vietnam Co., Ltd.

Hanoi Branch

2nd Floor, Leadvisors Building, No. 41A Ly Thai To,

Ly Thai To Ward, Hoan Kiem District, Hanoi, Vietnam.

Tel : (84-8) 6299-8000