Hoa Phat Group JSC

[Vietnam / Steel]

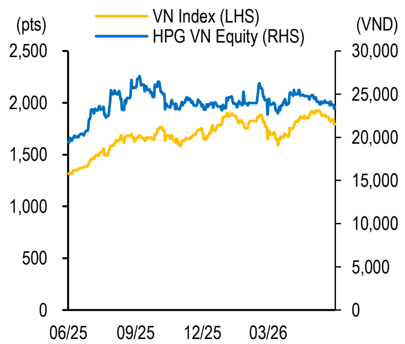
Bloomberg Code (HPG VN) | Reuters Code (HPG.HM)

BUY

Update Report

Target price (12 months)	**34,500 VND**
Current price (09/06/26)	23,550 VND
Return (%)	46%

VNINDEX			1,867.62
HNXINDEX			262.72
Market Cap (bn VND)			223,356
Outstanding shares (mn)			7,675
Free-Floating (mn)			4,527
52-Wk High/Low (VND)			17,750/30,850
90-day avg. trading volume (mn)			37.24
90-day avg. turnover (bn VND)			978
Major shareholders (%)	Tran Dinh Long		25.80%
	Vu Thi Hien		6.88%
Performance	3T	6T	12T
Absolute (%)	8.2	12.1	27.0
Relative to VN-Index (%)	-3.8	-3.0	-15.7



Source: Bloomberg

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A Diamond Beneath the Steel Exterior

Update coverage with BUY call and target price of VND 34,500

Hoa Phat Group Joint Stock Company (HPG) is one of Vietnam's leading steelmakers. In Q1 2026, HPG reported strong operating results, achieving 25% of its full-year revenue target and 41% of its full-year profit target. In H2 2026, the company is expected to continue benefiting from the recovery in domestic steel demand, supported by a meaningful contribution from the Dung Quat 2 complex. Based on a blend of P/E and DCF valuation methodologies, we update our target price for HPG shares to **VND 34,500.**

Q1/2026 earnings surged, driven by the recognition of a one-off gain

In Q1 2026, HPG posted net revenue of VND 52.9 trillion (+12.7% QoQ, +40.5% YoY) and NPATMI of VND 9.1 trillion (+132% QoQ, +170.3% YoY). HRC remained the key growth driver, with volume rising 48% YoY to 1.5 million tonnes on additional capacity from Dung Quat 2. Construction steel sales increased 20% YoY to 1.4 million tonnes amid recovering domestic construction activity, while steel pipe and galvanized steel volumes grew 18% YoY and 19% YoY to 241 thousand tonnes and 106 thousand tonnes, respectively. Gross margin expanded to 15.8% (+1.4 ppts YoY) as steel prices recovered faster than input costs. HPG also recorded a VND 4.9 trillion one-off gain from the divestment of its entire stake in the Pho Noi–Hung Yen urban development project.

2026 growth will be driven by domestic sales volume, with GPM expected to further improve

We maintain our 2026 sales volume forecast of 13.3 million tonnes (+20.8% YoY), driven by stronger construction steel demand from the recovery in residential and infrastructure construction, and higher HRC sales from the Dung Quat 2 complex, which we expect to operate at 65% of full capacity. Anti-dumping duties on Chinese HRC should continue supporting domestic HRC demand. While coking coal prices rose 37% YTD as of April 2026 due to the Middle East conflict, we expect them to normalize and average USD 150/tonne (+30% YoY) for the year, supported by ample Australian supply. Meanwhile, iron ore prices are expected to decline slightly as China's steel output cuts reduce demand. Combined with a recovery in domestic steel prices, we forecast gross profit margin to improve to 16.0% in 2026 (+0.3 ppts YoY).

The rail steel project: Construction began in Dec-2025, with total investment of VND 10 trillion and annual capacity of 700,000 tonnes. Operations are expected to commence in Q2 2027. We expect high utilization rates driven by national infrastructure demand, although gross margin is projected at ~10%, below HPG's other steel segments.

We forecast 2026 revenue of VND 210.2 trillion (+35% YoY) and NPATMI of VND 24.4 trillion (+57% YoY).

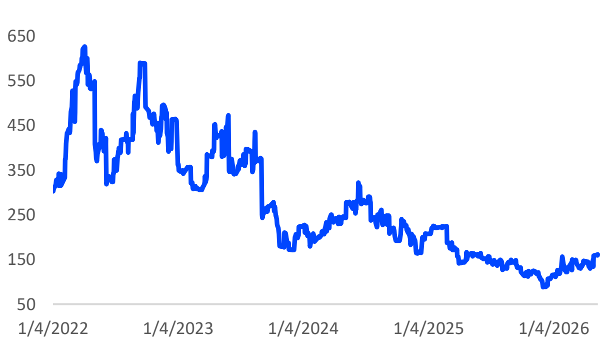
Risks : (1) Risk of fluctuations in steel and coke prices; (2) Slow penetration of real estate market support policies; (3) Risks of the real estate market situation in China, (4) Risks of competing with cheap steel from China; (5) Risks of exporting to Europe and the U.S.

Year to Dec.	2024	2025	2026F	2027F	2028F
Revenue (bn VND)	**138,855**	**156,116**	**210,187**	**237,083**	**264,772**
OP (bn VND)	13,267	17,906	23,084	28,262	32,571
NP (bn VND)	**12,020**	**15,515**	**24,445**	**25,760**	**29,454**
EPS (VND)	1,424	2,013	2,888	2,767	2,877
BPS (VND)	17,878	16,830	18,091	19,274	20,450
OPM (%)	9.6	11.5	11.0	11.9	12.3
NPM (%)	8.7	9.9	11.6	10.9	11.1
ROE (%)	**10.5**	**11.8**	**15.8**	**14.2**	**14.0**
PER (x)	16.8	11.9	8.3	8.7	8.3
PBR (x)	1.3	1.4	1.3	1.2	1.2
EV/EBITDA (x)	13.1	9.9	6.5	5.9	4.9

Source: Company data, Shinhan Securities Vietnam

Raw material prices Rise amid Middle East conflict

Coking Coal price trend (USD/tonne)



Source: Bloomberg, Shinhan Securities Vietnam

Iron Ore price trend (USD/tonne)

Source: Bloomberg, Shinhan Securities Vietnam

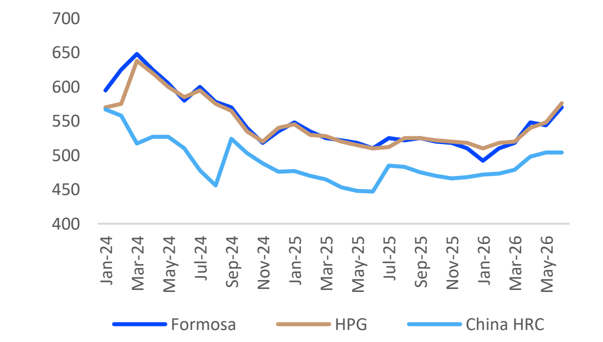
Coking coal prices rose 37% YTD as of April 2026, driven by (1) supply disruptions in the Middle East following the outbreak of regional conflicts and (2) production cuts in China's coal sector amid tighter controls on steel output. We believe the recent rally has been driven primarily by supply constraints related to the Middle East conflict rather than a meaningful recovery in demand. In fact, coking coal demand in China remains weak as the property market shows little sign of recovery, with (1) real estate investment down 11.2%, (2) new home sales declining 10.4%, and (3) residential property prices continuing to contract by 3.3%–3.5% YoY in Q1 2026. Coupled with abundant coal supply in Australia, we expect coking coal prices to stabilize at a lower equilibrium level, averaging USD 150/tonne (+30% YoY) in 2026.

Iron ore prices increased 2.9% YTD, supported by stronger raw material stockpiling in China during 4M2026. However, we expect iron ore prices to ease slightly over the remainder of 2026, averaging USD 133/tonne (-1.2% YoY), driven by (1) lower demand following China's steel output cuts and (2) additional supply from the Simandou mine in Africa, which holds more than 2 billion tonnes of reserves. According to Bloomberg Businessweek, Simandou is expected to produce around 60 million tonnes in 2026, rising to 120 million tonnes from 2027 at full capacity, equivalent to approximately 7.5% of global seaborne iron ore trade.

In addition, China's accelerated steel output cuts under the government's supply-side controls are expected to reduce demand for key steelmaking raw materials, particularly iron ore and coking coal.

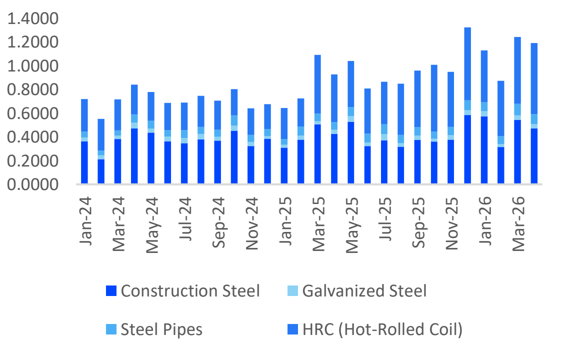
Vietnam Steel prices recover more strongly than Chinese Steel prices

HPG and Formosa HRC Prices vs. China HRC Prices



Source: Bloomberg, Shinhan Securities Vietnam

HPG Steel sales volume



Source: HPG, Shinhan Securities Vietnam

Amid rising raw material costs, Vietnam's HRC prices have increased 12.9% YTD, outperforming Chinese HRC prices (+6.7% YTD), driven by (1) the recovery in domestic construction demand, which has enabled Vietnamese steelmakers to pass higher input costs on to customers, while steel demand in China remains subdued due to the prolonged property downturn; and (2) Vietnam's trade protection measures on HRC and wide-width HRC imports from China, which have reduced the domestic market's dependence on Chinese steel prices and created additional volume growth opportunities for local steel producers.

Update on Q1/2026 earnings results and 2026 forecast

Item	Q1/2026 (Bn dong)	%YoY	2026F (Bn dong)	%YoY	Note
Net revenue	**52,900**	**40%**	**210,187**	**+35%**	Net revenue surged 15% QoQ and 41% YoY in Q1 2026, primarily driven by the steel segment (+44% YoY). Finished steel sales volume reached 3.2 million tonnes (+32% YoY), led by HRC at 1.47 million tonnes (+48% YoY) and construction steel at 1.43 million tonnes (+20% YoY). We forecast 2026 revenue growth of 35% YoY, based on (1) finished steel sales volume of 13.4 million tonnes (+21% YoY), supported by Dung Quat 2 operating at 65% of capacity and recovering infrastructure and residential construction demand; (2) 10% YoY growth in the agriculture segment; and (3) 30% YoY growth in real estate, driven by the completion of Phase 2 of the Yen My II Industrial Park project.
Volume (Thousand tons)					
Construction steel	1,431	20%	5,435	12%	Construction steel sales volume increased 20% YoY in Q1 2026. We forecast volume to reach 5.4 million tonnes in 2026, supported by a recovery in domestic construction activity across both infrastructure and residential segments.
HRC	1,470	48%	6,677	33%	HRC sales volume reached a record high in Q1 2026, rising 48% YoY, driven by contributions from the Dung Quat 2 complex and anti-dumping duties on Chinese HRC imports. We forecast HRC sales volume to reach 6.6 million tonnes in 2026 (+33% YoY), assuming Dung Quat 2 operates at 65% of capacity.
Gross profit	**8,365**	**54%**	**33,722**	**38%**	Gross margin expanded to 15.8% in Q1 2026 (vs. 14.4% in Q1 2025), supported by low-cost raw material inventories and a recovery in domestic steel prices. We forecast gross margin to improve further to 16.0% in 2026 (+0.3 ppts YoY), as domestic steel prices are expected to recover faster than input costs.
GPM	15.8%		16.0%		
SG&A expense	1,731	60%	5,463	34%	
Operating profit	**6,634**	**53%**	**23,084**	**29%**	
EBIT	10,762	180%	27,646	53%	
NPAT	**9,056**	**170%**	**24,445**	**57%**	

Valuation and recommendation

Update valuation with BUY recommendation, target price 34,500 VND

We maintain our BUY recommendation for HPG with an updated target price of VND 34,500, implying an upside of 46%, based on the following key points:

(1) HPG remains Vietnam's leading steel producer, with the Dung Quat 2 project set to expand production capacity;

(2) A boost from the recovery of residential real estate and accelerated public investment;

(3) Improved gross margin driven by low input costs and recovering steel prices;

(4) Anti-dumping duties on HRC from China and India supporting stronger domestic sales.

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%	36,100
FCFF	50%	32,800
Target price		**34,500**
Current price (09/06/2026)		23,300
Profit rate (%)		**48%**

Source: Shinhan Securities Vietnam

Discounted Cash Flow method (DCF) – FCFF

Variable	Value
D/E	0.44
Beta	1.08
Risk - free rate	4.4%
Cost of equity	14.29%
Cost of debt	6.43%
WACC	12.08%

Source: Bloomberg, Shinhan Securities Vietnam

For the Weighted Average Cost of Capital (WACC), we apply the 10-year Vietnamese government bond yield of 4.4% as the risk-free rate. Beta is calculated using HPG and VNINDEX data over the past five years. Based on these assumptions, the FCFF valuation yields a target price of VND 32,800 for HPG.

FCFF model

Unit: VND billion	2026F	2027F	2028F	2029F	2030F
Net profit	**24,445**	**25,760**	**29,454**	**33,773**	**36,191**
Plus: After-tax interest expense	6,711	5,767	5,159	5,013	5,415
Plus: Non-cash charges	14,374	10,666	10,277	8,976	5,485
Minus: Change in working capital	13,210	6,497	6,950	7,937	6,073
Minus: Capital expenditure	11,353	5,213	3,251	6,042	6,313
Free cash flows to the firm (FCFF)	**20,967**	**30,482**	**34,689**	**33,783**	**34,705**
Discount rate	0.80	0.71	0.63	0.57	0.50
Present value of FCFF	19,247	24,965	25,347	22,024	20,185
Terminal growth rate	2%				
Present value of terminal value	219,653				
Enterprise value	331,421				
Minus: Total debt	90,616				
Plus: Cash balance	35,722				
Minus: Minority interest	8.443				
Number of shares outstanding (bn shares)	**32,800**				

Source: Company data, Shinhan Securities Vietnam

P/E method

Based on the P/E valuation method, we reference data from both domestic and international steel companies. We estimate HPG's target P/E at 12.5x. Combined with the projected 2026 EPS of VND 2,888, HPG's target price is valued at VND 36,095.

Comparison of peer enterprises

Company name	Country	PS	Market cap. (USD mn)	Revenue growth YoY (%)	EPS growth YoY(%)	ROA (%)	ROE (%)
Hoa Sen	Vietnam	12.1	0.350	6.21	(40.48)	2.40	4.16
Nam Kim	Vietnam	20.00	0.235	(20.26)	(65.86)	1.64	3.59
Baoshan Iron & Steel	China	16.00	20.245	5.74	(9.09)	2.63	5.59
Beijing Shougang Co Ltd	China	17.60	5.251	(5.65)	(46.82)	1.40	2.85
Jindal Stainless Ltd	India	9.80	6.211	11.17	42.51	14.23	22.42
Steel Authority of India	India	13.60	6.627	5.11	46.53	4.86	3.97
TA Chen Stainless pipe	Taiwan	12.00	2.971	19.51	74.94	4.3	7.35
Western Superconducting Techno	China	19.67	6.680	0.62	(73.08)	7.35	13.84
Nippon steel	Japan	24.40	19.469	30.98	(42.90)	(0.05)	(29.96)
Ternium S.A	US	10.50	8.049	0.02	(67.65)	2.12	4.65
Average				**13.7x**			
Median				**12.5x**			
5 years average P/E				**11.1x**			
P/E forward				**12.5x**			
EPS forward				**2,888**			
Target price				**36,095**			

Source: Bloomberg, Shinhan Securities Vietnam

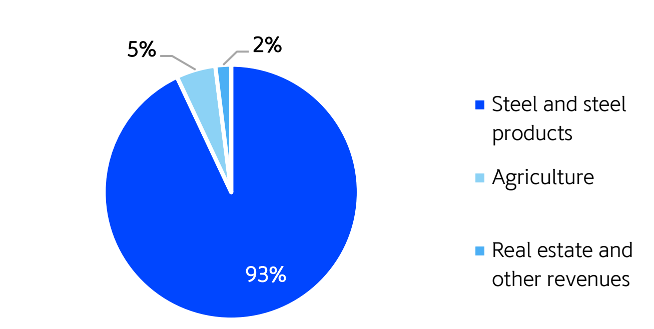
Company background

Company history

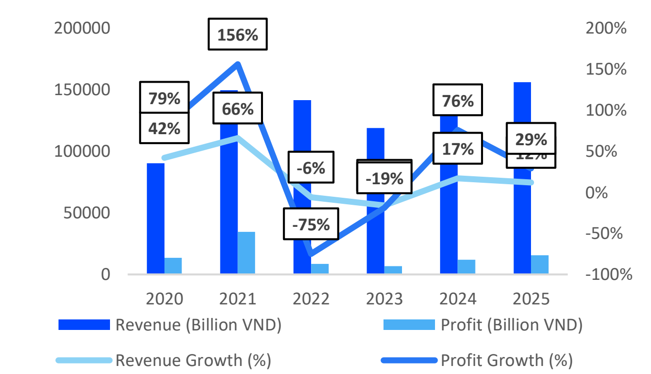
Hoa Phat was established in August 1992, beginning as a construction machine trading company, then expanded to other fields such as furniture, steel pipes, construction steel, refrigeration, real estate, and agriculture. On November 15, 2007, Hoa Phat officially listed shares on the Vietnam stock market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

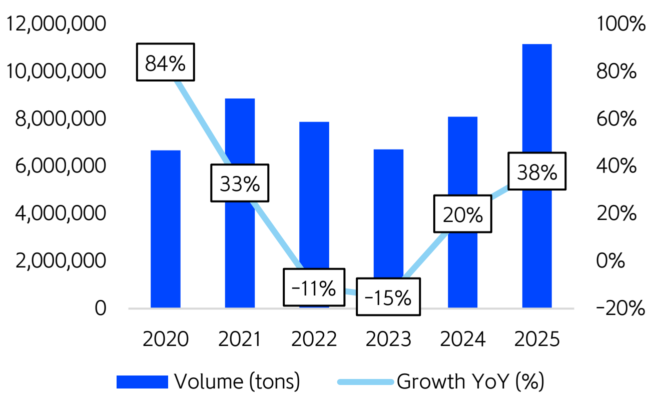


Hoa Phat revenue and profit 2020-2024

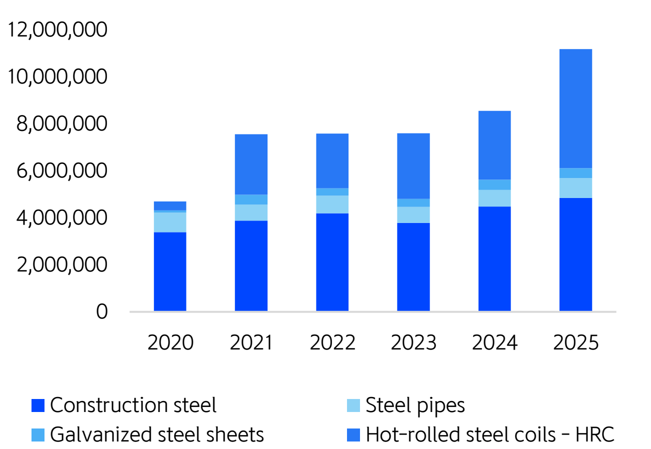


Source: Company report, Shinhan Securities Viet Nam

Hoa Phat sales volume 2020 – 2024 (tons)



Consumption volume by product 2020-2024 (tons)



Source: Company report, Shinhan Securities Viet Nam

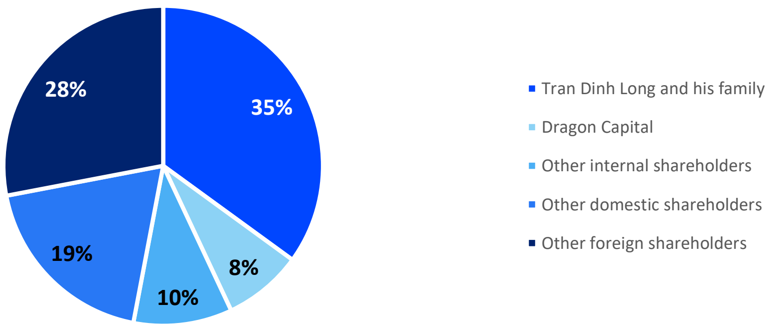
Hoa Phat's main steel products include: construction steel, hot rolled steel coil - HRC, steel billets, steel pipes and galvanized steel sheets. Of which, the largest contributions are construction steel (50%) and hot rolled steel - HRC (37%).

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 February 23, 2026 is 7.675 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.

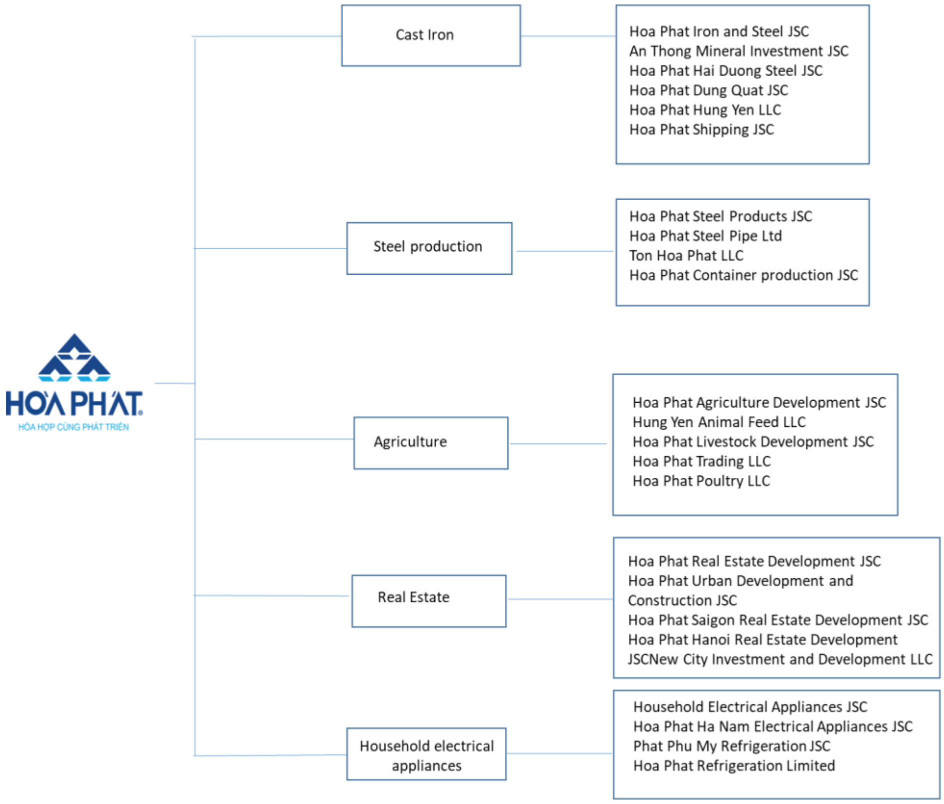
Shareholders structure of Hoa Phat (%)



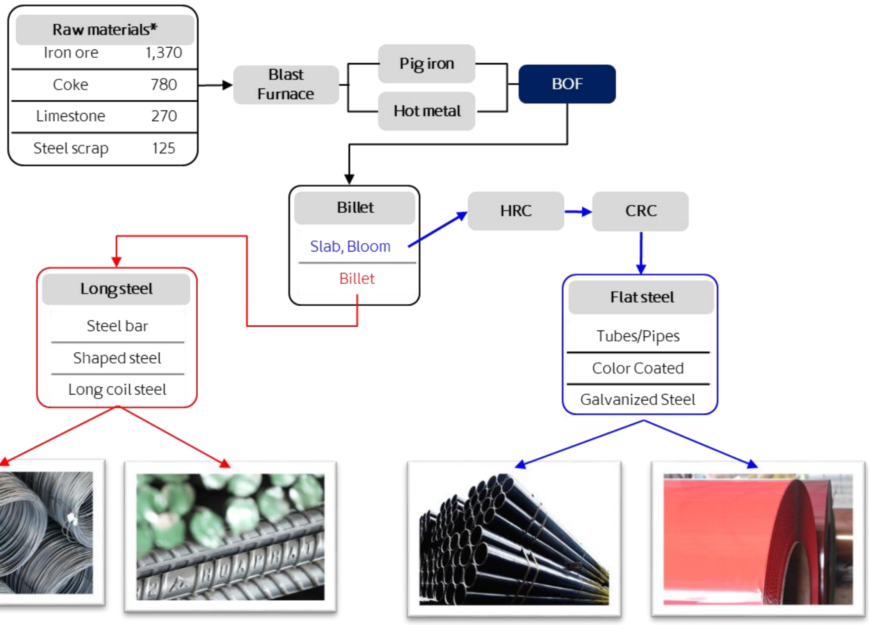
Source: Company report, Shinhan Securities Viet Nam

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

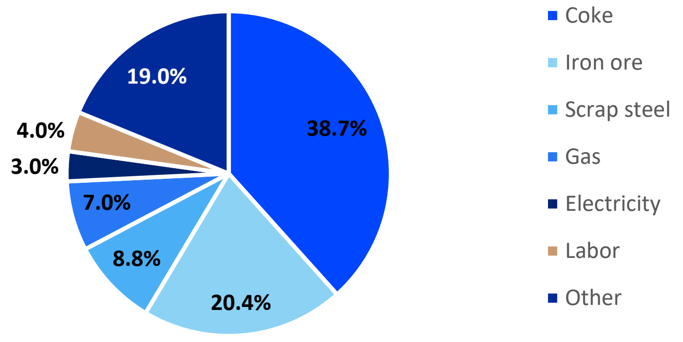


(*) Unit: ton

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.

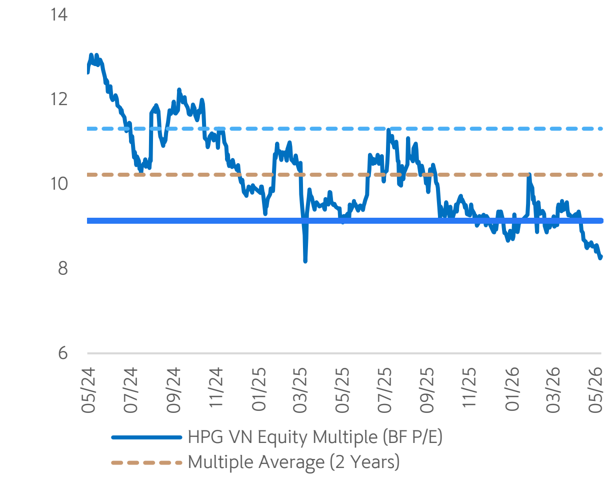
The enterprise has plans to expand its iron and steel segment by building Hoa Phat Dung Quat 2 factory, expected to come into operation in 2025 and increase Hoa Phat's crude steel capacity to 14.5 million tons/ year.

3.3. Output:

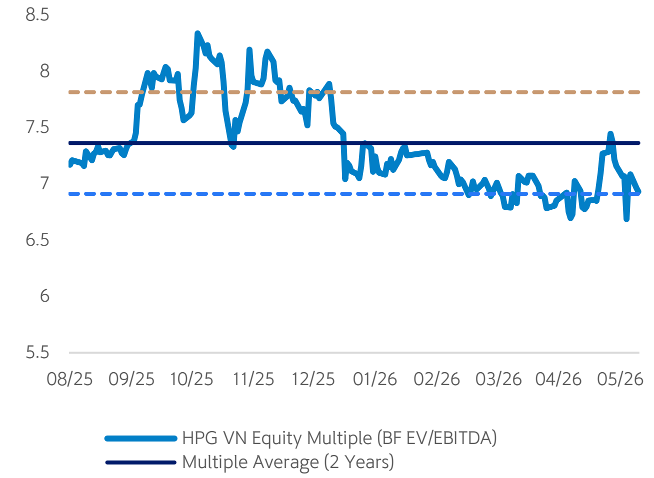
HPG's product portfolio is more extensive than other businesses on the market. HPG's steel segment output includes trading steel billets and post-rolled products including **construction steel, special steel (black wire, galvanized wire,...)**, **HRC steel, steel pipes and galvanized steel sheets.** 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

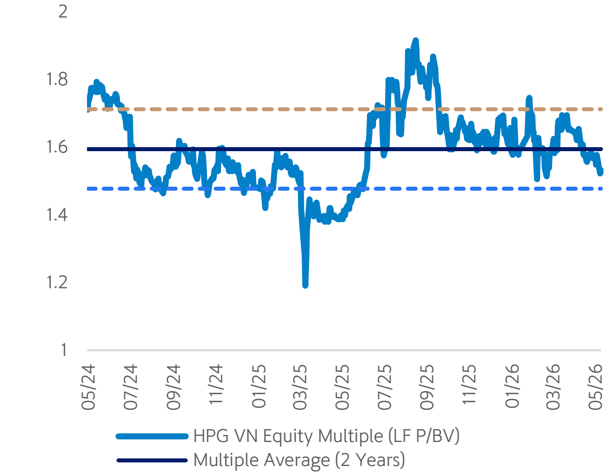


EV/EBITDA

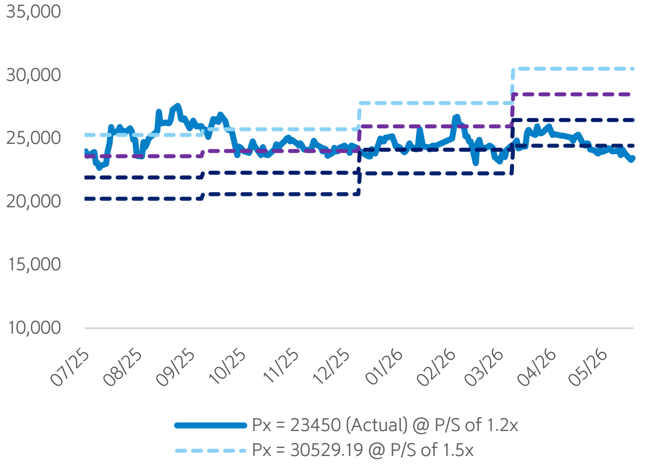


Source: Bloomberg data, Shinhan Securities Vietnam

P/B

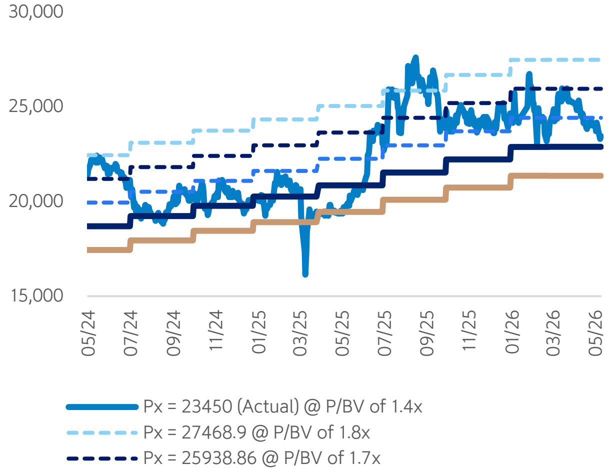


P/S band

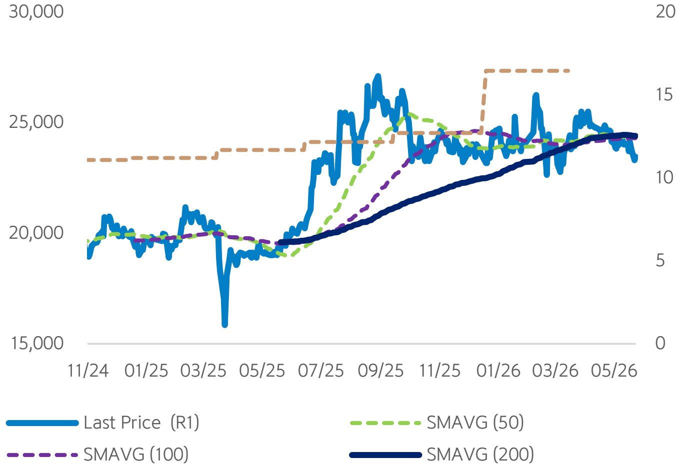


Source: Bloomberg data, Shinhan Securities Vietnam

P/B band

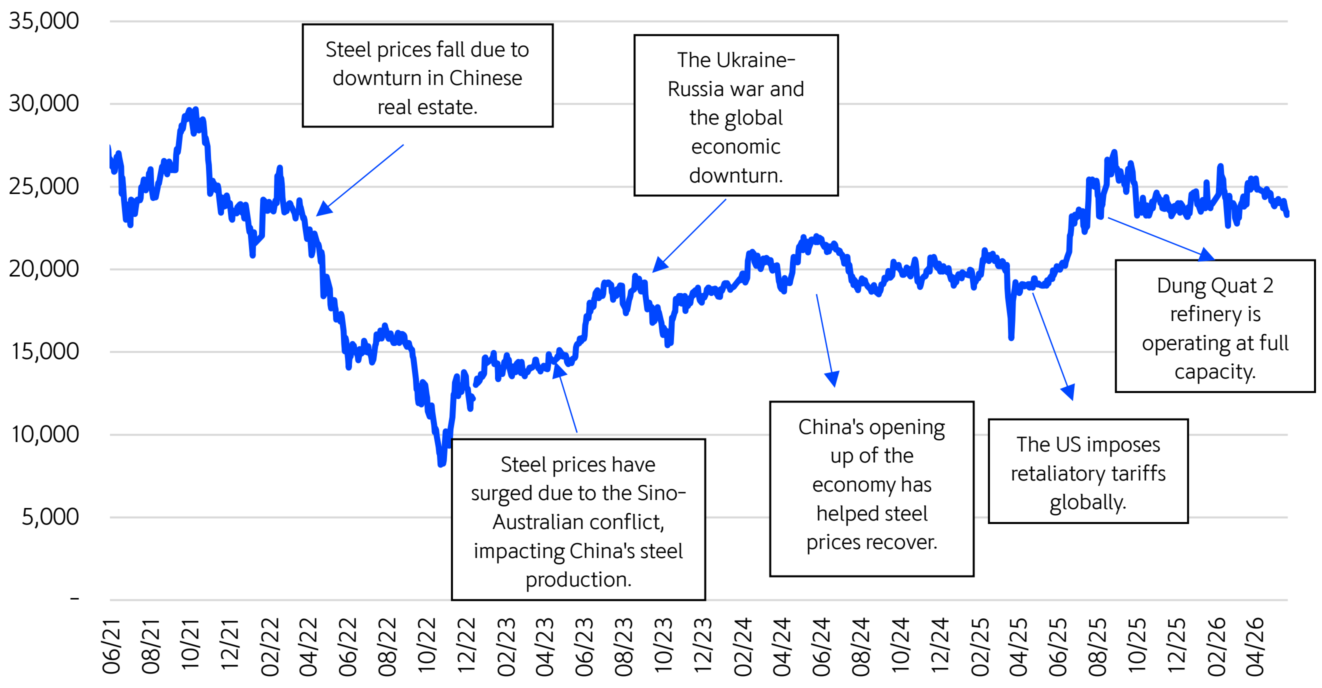


ROE and MA 5 year



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	257,922	272,473	292,682
Current assets	82,716	87,079	103,682	121,441	147,104
Cash & equivalents	12,252	6,888	8,301	18,824	31,248
Short-term financial asset	22,177	18,975	19,484	29,858	33,679
Accounts receivable	10,702	7,622	15,065	13,033	14,863
Inventories	34,504	46,521	52,828	56,503	64,414
Non-current assets	105,066	137,411	154,240	151,031	145,578
Net fixed assets	71,787	67,244	133,421	133,144	131,829
Investment assets	40	137	2,248	2,248	2,248
Other long-term assets	4,454	4,587	6,695	6,695	6,695
Total liabilities	84,946	109,842	126,702	117,749	111,765
Current liabilities	71,513	75,503	94,209	84,610	88,749
Accounts payable	16,532	19,621	29,514	15,140	17,627
Short-term borrowings	54,982	55,883	64,695	69,470	71,122
Others	4,144	5,511	8,330	6,652	7,089
Non-current liabilities	13,433	34,339	32,493	33,139	23,016
Long-term borrowings	10,399	27,080	27,479	28,125	18,002
Other financial liabilities	3,034	7,258	5,014	5,014	5,014
Total shareholders' equity	102,836	114,647	131,220	154,723	180,917
Capital stock	58,148	63,963	76,755	84,430	92,873
Capital surplus	3,212	0	0	0	0
Other capital	41,411	50,392	52,423	68,316	86,132
Retained earnings	40,593	49,576	51,035	66,927	84,743
Non-controlling interest equity	66	293	2,042	1,977	1,912
*Total debt	65,381	82,963	92,174	97,596	89,125
*Net debt (cash)	30,952	57,101	64,389	48,913	24,198

Statement of comprehensive income

Year to Dec. (bn VND)	2023	2024	2025F	2026F	2027F
Revenue	118,953	138,855	156,116	210,187	237,083
Growth (%)	-15.9	16.7	12.4	34.6	12.8
COGS	(106,015)	(120,358)	(131,618)	(176,464)	(199,020)
Gross profit	12,938	18,498	24,498	33,722	38,063
GPM (%)	10.9	13.3	15.7	16.0	16.1
SG&A	(3,269)	(3,883)	(4,070)	(5,463)	(6,162)
Operating profit	7,651	13,267	17,906	23,084	28,262
Growth (%)	(0.2)	0.7	0.3	0.3	0.2
OPM (%)	6.4	9.6	11.5	11.0	11.9
Non-operating profit	(1,876)	(921)	(2,387)	(2,894)	(3,206)
Financial income	3,173	2,619	2,082	3,139	3,414
Financial expense	(5,192)	(3,967)	(4,604)	(8,314)	(7,054)
In which: interest expenses	(3,585)	(2,287)	(3,115)	(6,024)	(5,176)
Net other non-operating profit	142	426	135	2,281	434
Pre-tax profit	5,774	12,346	15,519	20,190	25,056
Income tax	81	(1,248)	(1,247)	(3,201)	(3,370)
Net profit	6,800	12,020	15,515	24,445	25,760
Growth (%)	(19.5)	76.8	29.1	57.6	5.4
NPM (%)	5.7	8.7	9.9	11.6	10.9
Controlling interest	6,835	12,020	15,450	24,380	25,695
Non-controlling interest	(35)	0	65	65	65
EBIT	11,378	15,981	21,155	33,670	34,306
Growth (%)	(12.5)	40.5	32.4	59.2	1.9
EBIT Margin (%)	9.6	11.5	13.6	16.0	14.5
EBITDA	17,736	21,748	29,140	48,043	44,972
Growth (%)	(9.1)	22.6	34.0	64.9	(6.4)
EBITDA margin (%)	14.9	15.7	18.7	22.9	19.0

Statement of cash flow

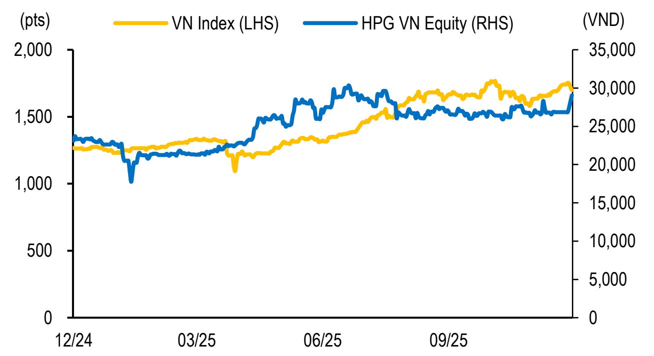
Year to Dec. (bn VND)	2023	2024	2025F	2026F	2027F
Cash flow from operations	8,643	7,027	15,694	23,817	27,907
Net profit	6,800	12,020	15,515	24,445	25,760
Depreciation expense	6,359	5,767	7,985	14,374	10,666
(Gain) from investing activities	(1,928)	(1,256)	(1,287)	(1,792)	(2,021)
Change in working capital	(2,151)	(8,776)	(2,015)	(13,210)	(6,497)
Others	(437)	(728)	(4,504)	-	-
Cash flow from investments	(11,995)	(30,143)	(25,172)	(19,935)	(7,013)
Change in fixed assets	(5,994)	19	(72,993)	(12,305)	(7,330)
Change in investment assets	4,052	3,106	(2,621)	(10,374)	(3,821)
Others	(10,053)	(33,269)	50,442	2,744	4,138
Cash flow from financing	7,276	17,752	10,891	6,641	(8,471)
Change in equity	-	5,815	12,792	-	-
Net borrowing	7,284	11,942	(1,874)	5,422	(8,471)
Dividends	(8)	(5)	(27)	1,219	-
Change in total cash	3,924	(5,365)	1,413	10,523	12,423
Beginning cash	8,325	12,252	6,888	8,301	18,824
Change in FX rates	-	-	-	-	-
Ending cash	12,252	6,888	8,301	18,824	31,247

Key ratios

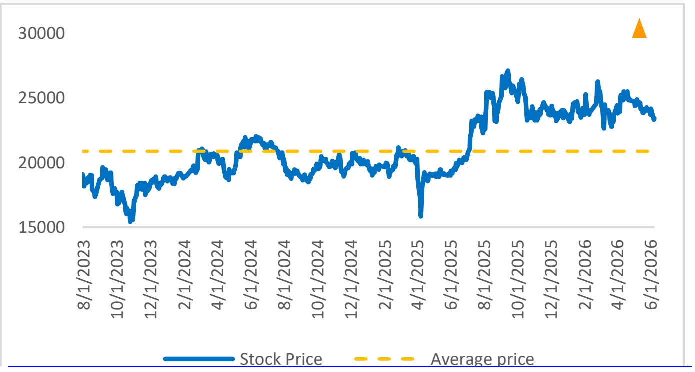
Year to Dec.	2023	2024	2025F	2026F	2027F
EPS (VND)	1,117	1,424	1,830	2,888	2,767
BPS (VND)	17,674	17,878	16,830	18,091	19,274
PER (x)	23.8	16.8	11.9	8.3	0.0
PBR (x)	1.6	1.3	1.4	1.3	0.0
EV/EBITDA (x)	11.9	13.1	9.9	6.5	0.0
Dividend payout ratio (%)	0	0	0	5	0
Profitability					
EBITDA margin (%)	14.9	15.7	18.7	22.9	19.0
OPM (%)	6.4	9.6	11.5	11.0	11.9
NPM (%)	5.7	8.7	9.9	11.6	10.9
ROA (%)	3.6	5.4	6.0	9.0	8.8
ROE (%)	6.6	10.48	11.8	15.8	14.2
Stability					
Debt to equity ratio (%)	63.6	72.4	70.2	63.1	49.3
Net debt ratio (%)	174.5	262.6	221.0	101.8	53.8
Cash ratio (%)	48.1	34.3	29.5	57.5	73.2
Interest coverage ratio (x)	3.2	7.0	6.8	5.6	6.6
Activity (%)					
Payable turnover (times)	36.0	34.8	41.3	25.8	14.6
Inventory turnover (days)	118.8	122.9	137.8	113.1	110.9
Receivable turnover (days)	31.6	24.1	26.5	24.4	21.5

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
11/11/2025 (Update)	BUY	34,100	42.4	10.5/92.1
24/02/2026 (Update)	BUY	33,000	47.9	7.1/85.9
04/06/2026 (Update)	BUY	34,500(*)	65.3	75.4/23.0

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

(*) Share count adjusted for dividend distribution

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Stock	Sector
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