

September, 2026

## HOA PHAT GROUP JSC (HOSE: HPG)

### Short-term pressure from selling prices, sales volume continues to grow

| Indicators (VND billion) | Q2-FY26 | Q4-FY25 | +/- QoQ | Q1-FY25 | +/- YoY |
|--------------------------|---------|---------|---------|---------|---------|
| Net Revenue              | 55,159  | 46,176  | 19%     | 37,622  | 47%     |
| NPAT-MI                  | 6,424   | 3,888   | 65%     | 3,350   | 92%     |
| EBIT                     | 8,462   | 5,714   | 48%     | 4,339   | 95%     |
| EBIT Margin              | 15%     | 12%     | 3 pps   | 12%     | 4 pps   |

Source: HPG, RongViet Securities

### Q2-FY26: Selling prices recovered, profit margins improved significantly

- Although Q2-FY26 revenue did not meet expectations, profit still recorded strong growth due to margin expansion - Gross Profit Margin (GPM) reached 19% (improving 310 bps QoQ as selling prices recovered and the company utilised low-cost raw material inventory). Net revenue and NPAT-MI were VND 55.2 trillion (+54% YoY, +4% QoQ) and VND 6.4 trillion (+51% YoY, -29% QoQ), respectively.
- HRC production volume was a highlight at 1.9 million tons (+64% YoY, +37% QoQ, accounting for ~70% of consumption in Vietnam) as Dung Quat 02 (DQ02) operated at ~85% capacity and nearly reached 100% capacity in June.

### Q3/2026 Outlook: Short-term pressure from decreasing prices

- For Q3/2026, we estimate revenue and NPAT-MI to reach VND 54 trillion (-2% QoQ, +48% YoY) and VND 5.4 trillion (-16% QoQ, +34% YoY), respectively; profit continues to grow YoY due to production contributions from DQ02, despite profit margin pressure from selling prices.
- Regarding consumption, HRC volume continues to be a bright spot, reaching 2.15 million tons (+12% QoQ, +70% YoY) as DQ02 operates at ~90% capacity; construction steel volume remained flat compared to Q2 at 1.3 million tons (+21% YoY), as public investment and residential real estate projects continue to support demand.
- Raw material prices (iron ore, coking coal) decreased by ~8-10% QoQ, and the company proactively adjusted selling prices downward from July to maintain domestic competitive advantage. Accordingly, the gross margin decreased to 16.3% (down 270 bps), with gross profit reaching VND 8.8 trillion (-16% QoQ, +45% YoY).
- For 2026, we maintain HPG's revenue forecast at VND 197 trillion (+26% YoY) and adjust the NPAT-MI forecast to VND 25.9 trillion (+68% YoY).

### Viewpoint and Recommendation

With its leading position in the Vietnamese steel industry, we believe that HPG can achieve a compound profit growth rate of 23% in the 2026–2030 period thanks to (1) HRC imported from China being subject to anti-dumping duties, increasing demand for domestic products, (2) Expanded company scale when the Dung Quat 2 plant operates at full capacity, and (3) Raw material optimization through a long value chain.

Using a combination of the discounted cash flow (FCFF) method and the comparative method (P/B) with a 50:50 weighting, we maintain the fair value of HPG shares at VND 31,100/share, combined with an expected 12-month cash dividend of VND 500/share, the **total expected return is 51% based on the closing price on 25/09/2026**. Accordingly, we recommend **BUY** for HPG, assessing it as the top choice for the construction materials industry in 2026.

**BUY +51%**

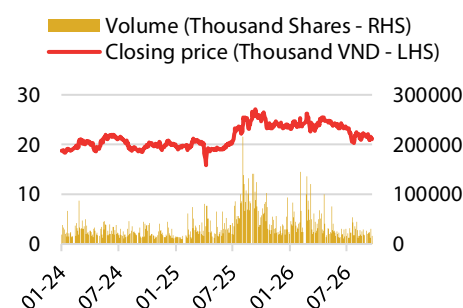
|                                      |         |
|--------------------------------------|---------|
| Market Price (VND)                   | 20,650  |
| Target Price (VND)                   | 31,100  |
| Cash dividend for the next 12 months | VND 500 |

### Stock Information

|                             |                 |
|-----------------------------|-----------------|
| Sector                      | Basic Materials |
| Market Cap (VND bn)         | 178,147         |
| Shares Outstanding (mn)     | 8,443           |
| Free Float                  | 55.00%          |
| 3M Avg Volume (K)           | 21,032          |
| 3M Avg Value (VND bn)       | 468.79          |
| Remaining Foreign Ownership | 21.74%          |
| 52-week Range               | 20,350 - 26,426 |

|                 | FY2025 | Current |
|-----------------|--------|---------|
| Basic EPS (VND) | 2,013  | 2,100   |
| P/E             | 14.18  | 15.57   |
| P/B             | 1.70   | 1.72    |
| EV/EBITDA       | 10.56  | 12.24   |
| P/S             | 1.40   | 1.47    |

### Price Performance



### Major Shareholders (%)

|                                       |      |
|---------------------------------------|------|
| Tran Dinh Long (and related parties)  | 35.0 |
| Board of Directors and Management     | 9.0  |
| Foreign Shareholders                  | 21.5 |
| Others                                | 34.8 |
| Remaining Foreign Ownership Limit (%) | 27.4 |

### Do Thach Lam, CFA

(084) 028 - 6299 2006 - Ext: (1524)

[lam.dt@vdsc.com.vn](mailto:lam.dt@vdsc.com.vn)

## Q2-FY26 Business Results: Selling prices recover, profit margins improve significantly

Although Q2-FY26 revenue did not meet expectations, profit still recorded strong growth due to margin expansion (selling prices recovered in Q2 and the company utilised low-cost inventory). Specifically, net revenue and NPAT-MI were VND 55.2 trillion (+54% YoY, +4% QoQ) and VND 6.4 trillion (+51% YoY, -29% QoQ, due to extraordinary profit from project divestment in Q1). In which:

- Construction steel recorded stable sales volume compared to the same period last year, reaching 1.3 million tons (equivalent to the same period in 2025, -7% QoQ). The main consumption market is in the North (accounting for ~50% of total volume), as demand for construction steel for infrastructure and real estate projects is relatively high; however, volume decreased compared to Q1 because: i/ Construction progress of public investment and real estate projects tended to slow down (due to high raw material prices), ii/ Agents stopped stockpiling when steel prices peaked in June.
- HRC consumption volume was a highlight as it continued to record significant growth compared to the same period in 2025, after putting the Dung Quat 02 (DQ02) plant into operation, operating at ~85% capacity for 02 phases, and nearly reaching 100% capacity in June (according to our estimates). Thus, HRC sales volume reached 1.9 million tons (+64% YoY, +37% QoQ, ~70% of consumption in Vietnam) – the pillar of HPG's steel production segment.
- In Q2, gross Profit Margin (GPM) reached 19% (a new high compared to the 2023-2025 period, improving 310 bps compared to the previous quarter), gross profit was higher than expected, reaching VND 10,488 billion (+25% QoQ, +59% YoY), coming from selling prices (especially construction steel prices) maintaining a recovery of ~8% compared to the previous quarter, while the company had accumulated raw material inventory at low prices in Q1 and iron ore prices recorded a decrease of ~5% compared to the previous quarter.
- The company recorded SG&A expenses of VND 2,025 billion (+76% YoY, +17% QoQ, SG&A/revenue ratio at 3.7%), mainly driven by transportation and outsourced service expenses amid persistently high fuel costs.
- After recording exceptionally high net financial income in the previous quarter when the company divested its investment in a real estate project, HPG recorded net financial expenses of VND 1,309 billion (+170% YoY) as interest expenses for the DQ02 project were fully recognized (not capitalized as in the same period last year). In summary, strong margin improvement helped NPAT-MI grow beyond expectations, reaching VND 6,424 billion (+51% YoY).
- Regarding inventory, average inventory days recorded a slight increase to 101 days, and inventory value was high at VND 55.6 trillion – the company increased inventory for production in the coming quarters as all plants are operating at high capacity.
- Regarding new project investment progress, the company continues to invest in the Rail Steel Plant project (completing ~60% of total construction progress as of July) and maintains the expectation of putting the plant into operation in 2027; however, the plant will need ~01 year for product testing before official commercial sales. During the period, the company also contributed capital to Song Hong Future Group (the investor of the Multi-purpose Urban Area – resettlement in Linh Nam ward, Hanoi with an area of 267ha) by contributing 250 million shares held in Hoa Phat Real Estate Development JSC (HPG holds 20% of Song Hong Future Group after the capital increase). The capital contribution and development of the multi-purpose urban area in Linh Nam is a step to prepare resettlement land for a larger-scale project - the Red River Landscape Boulevard Axis (a mega-project with a total investment of ~VND 737 trillion; the investor is the joint venture Dai Quang Minh – Thaco – HPG), which is in the process of collecting opinions to complete the 1/5000 planning.

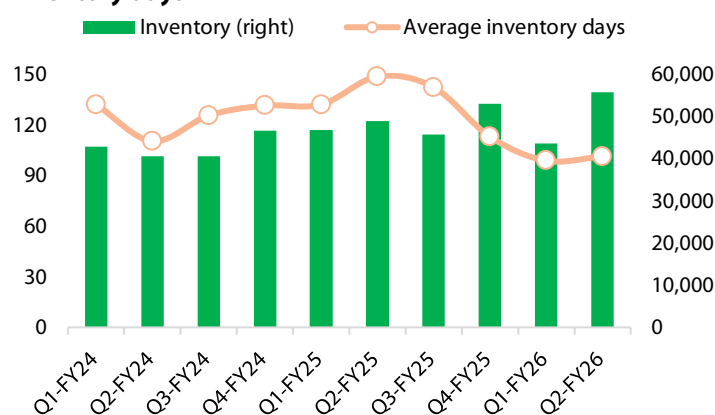
**Table 1: HPG's Q2-FY26 Business Results**

| Unit: VND billion                          | Q2-FY26 | +/- YoY | +/- QoQ | 6M 2026 | % 2026 Plan | % 2026 Forecast |
|--------------------------------------------|---------|---------|---------|---------|-------------|-----------------|
| <b>Sales Volume (Thousand tons)</b>        |         |         |         |         |             |                 |
| Construction Steel                         | 1,308   | 1%      | -7%     | 2,708   |             |                 |
| HRC                                        | 1,925   | 64%     | 37%     | 3,330   |             |                 |
| Construction steel price (VND million/ton) | 15.3    | 12%     | 8%      |         |             |                 |
| HRC price (USD/ton)                        | 530     | 6%      | 7%      |         |             |                 |

|                     |               |            |             |                |            |            |
|---------------------|---------------|------------|-------------|----------------|------------|------------|
| <b>Net Revenue</b>  | <b>55,159</b> | <b>54%</b> | <b>4%</b>   | <b>108,060</b> | <b>51%</b> | <b>55%</b> |
| Cost of Goods Sold  | (44,671)      | 52%        | 0%          | (89,207)       |            |            |
| <b>Gross Profit</b> | <b>10,488</b> | <b>59%</b> | <b>25%</b>  | <b>18,853</b>  |            | <b>59%</b> |
| SG&A Expenses       | (2,025)       | 76%        | 17%         | (3,756)        |            |            |
| <b>EBIT</b>         | <b>8,462</b>  | <b>55%</b> | <b>28%</b>  | <b>15,097</b>  |            |            |
| Financial Income    | 617           | 24%        | -90%        | 6,555          |            |            |
| Financial Expenses  | (1,926)       | 97%        | 3%          | (3,795)        |            |            |
| Other Income (net)  | 30            | 156%       | -49%        | 88             |            |            |
| <b>PBT</b>          | <b>7,185</b>  | <b>44%</b> | <b>-33%</b> | <b>17,947</b>  |            |            |
| <b>NPAT - MI</b>    | <b>6,424</b>  | <b>51%</b> | <b>-29%</b> | <b>15,480</b>  | <b>70%</b> | <b>60%</b> |

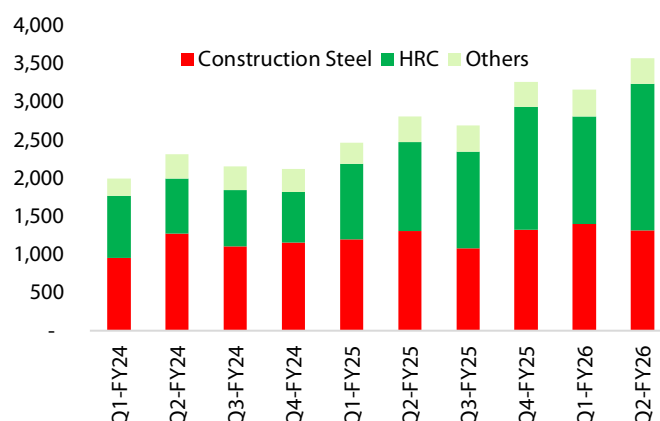
Source: HPG, RongViet Securities.

**Figure 1: Inventory balance (VND billion) and average inventory days**



Source: HPG, RongViet Securities

**Figure 2: HPG's sales volume in the 2024-2026 period (thousand tons)**



Source: VSA, RongViet Securities

### Q3-FY2026 Outlook: Short-term pressure from decreasing prices

After the recovery period in Q2, steel product prices (construction steel, HRC-Coated steel) have decreased when: i/ lower-than-expected steel demand in China, ii/ lower transportation costs cooled down raw material prices (iron ore, coking coal recorded a decrease of ~8-10%) – putting pressure on the profit margins of steel companies in general (including HPG). Thus, for Q3/2026, we believe HPG's profit margin will decrease slightly (due to negative impact from selling prices), but profit will still grow YoY (from the large contribution from DQ02's production), with Q3 revenue and NPAT-MI reaching VND 54 trillion (-2% QoQ, +48% YoY) and VND 5.4 trillion (-16% QoQ, +34% YoY), respectively, including the following business result estimates:

- Regarding consumption, we estimate: 1/ In Q3, Construction steel volume is expected to reach 1.3 million tons (flat compared to Q2, +21% YoY), as public investment and residential real estate projects (currently in the completion and handover cycle) still support steel demand, although Q3 is not the peak season for construction activities; and 2/ HRC volume is expected to reach 2.15 million tons (+12% QoQ, +70% YoY), continuing to be a bright spot in terms of volume as DQ02 operates at ~90% capacity (in June & July alone, the company's HRC volume maintained over 700 thousand tons/month, ensuring the volume expectation for Q3).
- As major raw material prices (iron ore, coking coal) decreased by ~8-10% QoQ in Q3, the company proactively adjusted steel selling prices downward in July to maintain domestic competitive advantage (expected average selling price in Q3 may decrease by ~7% compared to the previous quarter). Thus, we estimate the company's gross profit margin will decrease to 16.3% (equivalent to the 2026 average forecast, down 270 bps). In Q3/2026, HPG's revenue and gross profit are estimated to reach VND 54 trillion (-2% QoQ, +48% YoY) and VND 8.8 trillion (-16% QoQ, +45% YoY), respectively.

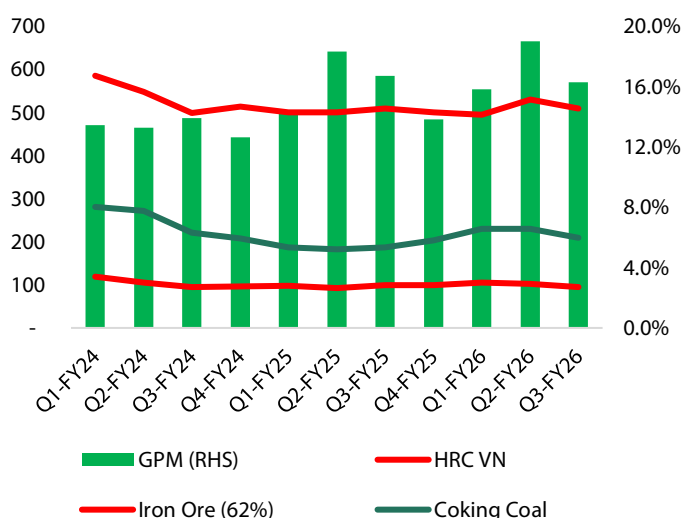
- SG&A expenses are expected to be VND 1,500 billion (+30% YoY, SG&A/revenue ratio maintained at 2.8%), resulting in net profit from business operations reaching VND 7,311 billion (+48% YoY, -14% QoQ). Net financial expenses reached VND 1,150 billion (+219% YoY, due to the recognition of interest expenses from DQ02).

For the full year 2026, we expect the domestic market to continue maintaining its recovery momentum and support HPG's sales volume (construction activities are being promoted and the DQ02 complex fully meets the needs of domestic steel producers), while steel prices are still in a recovery cycle. Thus, we maintain our revenue forecast for HPG at VND 197 trillion (+26% YoY), and adjust the NPAT-MI forecast to VND 25.9 trillion (+68% YoY) as In Q2, HPG recorded better-than-expected profit margins. The corresponding EPS is VND 2,886.

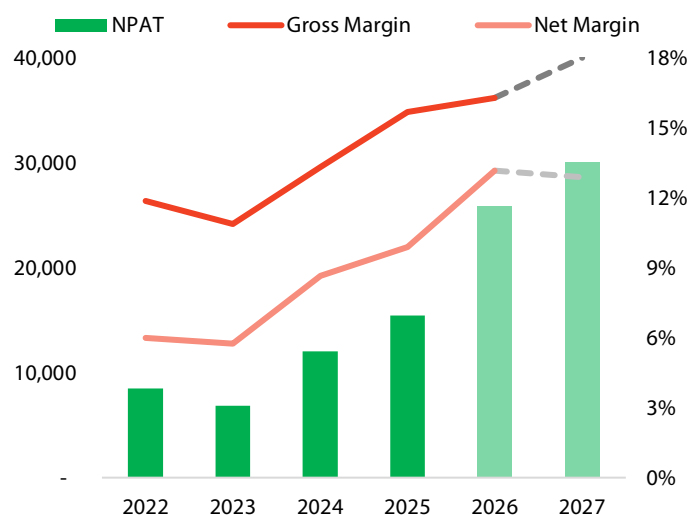
**Table 2: Forecast 3Q-FY2026 result**

| Unit: VND billion                          | Q3/2026F      | +/- QoQ     | +/- YoY     | Assumptions                                                                                                                                                                                                                          |
|--------------------------------------------|---------------|-------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Sales Volume (Thousand tons)</b>        |               |             |             |                                                                                                                                                                                                                                      |
| Construction Steel                         | 1,300         | -1%         | 21%         | Domestic market continues to be positive, supported by construction demand, however Q3 is not the peak season for construction<br>DQ02 operates stably, with capacity at ~90% - supported by stable demand from flat steel producers |
| HRC                                        | 2,150         | 12%         | 70%         |                                                                                                                                                                                                                                      |
| Construction steel price (VND million/ton) | 14.3          | -7%         | 7%          | Steel prices cool down as raw material prices decrease ~8% compared to the previous quarter                                                                                                                                          |
| HRC price (USD/ton)                        | 510           | -4%         | 0%          |                                                                                                                                                                                                                                      |
| <b>Net Revenue</b>                         | <b>54,056</b> | <b>-2%</b>  | <b>48%</b>  | Revenue grows YoY, with contribution from DQ 2                                                                                                                                                                                       |
| Cost of Goods Sold                         | (45,245)      | 1%          | 49%         |                                                                                                                                                                                                                                      |
| <b>Gross Profit</b>                        | <b>8,811</b>  | <b>-16%</b> | <b>45%</b>  | Gross margin reached 16.3%, decreasing from the high level in Q2, due to negative developments in raw material-finished product prices                                                                                               |
| SG&A expenses                              | (1,500)       | -26%        | 30%         | SG&A/revenue ratio maintained at 2.8%                                                                                                                                                                                                |
| <b>EBIT</b>                                | <b>7,311</b>  | <b>-14%</b> | <b>48%</b>  |                                                                                                                                                                                                                                      |
| Financial Income                           | 700           | 14%         | -2%         | Stable income from deposit interest, no longer recording any revenue from project divestment                                                                                                                                         |
| Financial Expenses                         | (1,850)       | -4%         | 72%         | Financial expenses increase due to the recognition of interest expenses from the DQ02 plant                                                                                                                                          |
| Other Income (net)                         | <b>10</b>     | <b>-66%</b> | <b>-83%</b> |                                                                                                                                                                                                                                      |
| <b>PBT</b>                                 | <b>6,171</b>  | <b>-14%</b> | <b>33%</b>  |                                                                                                                                                                                                                                      |
| <b>NPAT - MI</b>                           | <b>5,369</b>  | <b>-16%</b> | <b>34%</b>  |                                                                                                                                                                                                                                      |

Source: RongViet Securities

**Figure 3: Raw material – finished product prices (USD/ton) and HPG's GPM in the 2024-2026 period**


Source: HPG, RongViet Securities

**Figure 4: HPG's Profit After Tax, 2022-2027 period**


Source: HPG, RongViet Securities

**Table 3: Trade defense measures (by importing countries) against HRC products originating from the Vietnamese market, 2023-2026**

| Market | Product | Year         | Detailed Status                                                                                                                                                                     |
|--------|---------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EU     | HRC     | 2024-2026    | Import quota of 110 thousand tons/quarter – belongs to the group of “other countries”<br>Imposing anti-dumping tax on HRC imported from Vietnam (except HRC from DQ complex – HPG). |
| India  | HRC     | 2024-present | Imposing an anti-dumping tax on HRC imported from Vietnam ( <i>except HRC from DQ complex – HPG</i> )                                                                               |
| Mexico | HRC     | 2025-present | Anti-dumping investigation initiated on HRC imported from Vietnam                                                                                                                   |

Source: RongViet Securities compilation

## VALUATION

### LONG-TERM VALUATION USING FCFF METHOD

With HPG maintaining a compound annual growth rate (CAGR) for the 2026-2030 period at 23%, we maintain the one-year target price for HPG shares at VND 31,100/share, corresponding to 2026 and 2027 forward P/E ratios of 13.6x and 9.5x, respectively. Thus, the company continues to be the top pick in the steel industry as it: i/ continuously expands capacity to capture market share, and ii/ has the ability to increase profit margins during the industry's recovery cycle.

**Regarding valuation assumptions using the FCFF method**, we apply a risk-free rate of 4.0%, beta of 1.2 (unchanged), standard equity risk premium of 10% (unchanged – as HPG belongs to the cyclical business group), debt ratio of 40% (unchanged), and pre-tax cost of debt of 8.0% (unchanged, due to the company's industry-leading advantage), exit EV/EBITDA of 6.5x (unchanged). Red River Landscape Boulevard Axis project will be included in the valuation model when there is more specific information about the planning, investment roadmap, and scale of BT land funds used to offset the project.

**Table 4: HPG Valuation using FCFF method**

| DCF Assumptions     | Value | Valuation Summary                             | Unit: VND billion |
|---------------------|-------|-----------------------------------------------|-------------------|
| WACC 2026           | 13.1% | DCF Forecast Period                           | 5                 |
| Effective Tax Rate  | 11.9% | Discountable Free Cash Flow                   | 317,265           |
| Cost of Equity      | 16.0% | + Cash & Equity at valuation date             | 31,785            |
| Risk-free Rate      | 4.0%  | - In Debt                                     | 92,174            |
| Equity Risk Premium | 10.0% | Equity Value                                  | 256,877           |
| Beta                | 1.2   | Number of outstanding shares (million shares) | 8,443             |
| Exit EV/EBITDA      | 6.5   | Equity Value per share (VND)                  | 30,425            |

**Table 5: Sensitivity scenario for HPG's Equity Value per share (VND)**

| WACC | Exit EV/EBITDA |        |        |               |        |        |
|------|----------------|--------|--------|---------------|--------|--------|
|      |                | 4.5    | 5.5    | 6.5           | 7.5    | 8.5    |
|      | 11.1%          | 25,619 | 29,510 | 33,400        | 37,291 | 41,182 |
|      | 12.1%          | 24,435 | 28,155 | 31,875        | 35,596 | 39,316 |
|      | 13.1%          | 23,307 | 26,866 | <b>30,425</b> | 33,984 | 37,542 |
|      | 14.1%          | 22,233 | 25,639 | 29,045        | 32,451 | 35,856 |
|      | 15.1%          | 21,210 | 24,471 | 27,731        | 30,992 | 34,252 |

We continue to use the P/B method to value cyclical companies (including steel manufacturing companies) in the short term because: 1/ Profits and P/E ratios of cyclical companies have high volatility, 2/ The P/B ratio reflects the market's price level more accurately – when there are expectations of industry recovery. Compared to the average P/B ratio of HPG stock over the 2020-2025 period (at 1.8x), we believe

a P/B level of 1.8x is appropriate for: 1/ A company with a leading position in the steel industry, 2/ Long-term ROE expectations maintained at 18% (once DQ02 is in stable operation), 3/ Risks from export markets are limited as HPG is excluded from most anti-dumping measures (see Table 3), while the company focuses on gaining market share in the domestic market.

**Table 6: Sensitivity table for HPG's Equity Value per share (VND)**

| BVPS<br>(VND) | P/B  |        |        |        |        |        |        |        |        |
|---------------|------|--------|--------|--------|--------|--------|--------|--------|--------|
|               |      |        | 1.2    | 1.4    | 1.6    | 1.8    | 2      | 2.2    | 2.4    |
|               | 2026 | 17,731 | 21,277 | 24,823 | 28,369 | 31,916 | 35,462 | 39,008 | 42,554 |

Source: RongViet Securities

By combining the long-term valuation method (FCFF cash flow discount method) and the short-term valuation method (P/B comparison method) with a 50:50 weighting, we give the target price of HPG stock as **VND 31,100/share**.

**Table 7: HPG Valuation Summary**

| Method              | Weight | Price  | Contribution  |
|---------------------|--------|--------|---------------|
| FCFF                | 50%    | 30,425 | 15,212        |
| P/B (1.8)           | 50%    | 31,916 | 15,958        |
| <b>Target Price</b> |        |        | <b>31,100</b> |

Source: RongViet Securities

## Appendix

**Table 1: Q2/2026 Business Results**

| (VND billion)           | Q2-FY26 | Q1-FY26 | +/- (QoQ) | Q2-FY25 | +/- (YoY) |
|-------------------------|---------|---------|-----------|---------|-----------|
| Revenue                 | 55,159  | 52,901  | 4%        | 35,911  | 54%       |
| Gross Profit            | 10,488  | 8,365   | 25%       | 6,590   | 59%       |
| SG&A expenses           | (2,025) | (1,731) | 17%       | (1,148) | 76%       |
| Operating Income        | 7,155   | 10,704  | -33%      | 4,961   | 44%       |
| EBITDA                  | 11,314  | 9,488   | 19%       | 7,059   | 60%       |
| EBIT                    | 8,462   | 6,634   | 28%       | 5,442   | 55%       |
| Financial Expenses      | (1,926) | (1,869) | 3%        | (979)   | 97%       |
| - Interest Expenses     | (1,520) | (1,333) | 14%       | (439)   | 246%      |
| Dep. and amortization   | 2,851   | 2,854   | 0%        | 1,617   | 76%       |
| Non-recurring items (*) |         |         |           |         |           |
| Extraordinary items (*) | 30      | 58      | -49%      | 12      | 156%      |
| PBT                     | 7,185   | 10,762  | -33%      | 4,972   | 44%       |
| NPAT-MI                 | 6,424   | 9,056   | -29%      | 4,265   | 51%       |
| (*) Adjusted NPAT-MI    | 6,395   | 8,998   | -29%      | 4,253   | 50%       |

Source: HPG, RongViet Securities,

**Table 2: Q2/2026 Performance Analysis**

| Results                         | Q2-FY26 | Q1-FY26 | +/- (QoQ) | Q2-FY25 | +/- (YoY) |
|---------------------------------|---------|---------|-----------|---------|-----------|
| <b>Profitability Ratios (%)</b> |         |         |           |         |           |
| Gross margin                    | 19%     | 16%     | 3 pps     | 18%     | 1 pps     |
| EBITDA Margin                   | 21%     | 18%     | 3 pps     | 20%     | 1 pps     |
| EBIT Margin                     | 15%     | 13%     | 3 pps     | 15%     | 0 pps     |
| Net margin                      | 12%     | 17%     | -5 pps    | 12%     | 0 pps     |
| Adjusted net margin             | 12%     | 17%     | -5 pps    | 12%     | 0 pps     |
| <b>Turnover (x)*</b>            |         |         |           |         |           |
| - Inventory                     | 3.61    | 3.70    | (0.1)     | 2.46    | 1.15      |
| - Receivables                   | 12.70   | 13.33   | (0.6)     | 12.39   | 0.31      |
| - Payables                      | 6.43    | 6.94    | (0.5)     | 6.40    | 0.03      |
| <b>Leverage (%)</b>             |         |         |           |         |           |
| Total Debt/Total Equity         | 97%     | 86%     | 12 pps    | 98%     | -1 pps    |

Source: RongViet Securities | (\*) annualized

VND billion

| <b>Business Results</b>  | <b>FY2024</b>  | <b>FY2025</b>  | <b>FY2026F</b> | <b>FY2027F</b> |
|--------------------------|----------------|----------------|----------------|----------------|
| <b>Net Revenue</b>       | <b>138,855</b> | <b>156,116</b> | <b>196,876</b> | <b>233,223</b> |
| Cost of Goods Sold       | 120,358        | 131,618        | 164,801        | 191,232        |
| <b>Gross Profit</b>      | <b>18,498</b>  | <b>24,498</b>  | <b>32,074</b>  | <b>41,991</b>  |
| Selling Expenses         | 2,337          | 2,634          | 3,150          | 3,732          |
| Administrative Expenses  | 1,546          | 1,437          | 1,812          | 2,146          |
| Financial Income         | 2,619          | 2,082          | 7,871          | 3,558          |
| Financial Expenses       | 3,967          | 4,604          | 5,376          | 5,540          |
| Other Profit             | 426            | -171           | 100            | 100            |
| Profit from associates   | 0              | 0              | 0              | 0              |
| <b>Profit Before Tax</b> | <b>13,693</b>  | <b>17,735</b>  | <b>29,707</b>  | <b>34,231</b>  |
| Corporate Income Tax     | 1,766          | 2,526          | 3,725          | 4,116          |
| Minority Interest        | 0              | 65             | 65             | 68             |
| <b>Profit After Tax</b>  | <b>11,927</b>  | <b>15,144</b>  | <b>25,917</b>  | <b>30,047</b>  |
| EBIT                     | 14,615         | 20,428         | 27,112         | 36,114         |
| EBITDA                   | 21,588         | 28,896         | 36,193         | 45,193         |

| <b>FINANCIAL RATIOS</b> | <b>FY2024</b> | <b>FY2025</b> | <b>FY2026F</b> | <b>FY2027F</b> |
|-------------------------|---------------|---------------|----------------|----------------|
| <b>Growth</b>           |               |               |                |                |
| Revenue                 | 16.7%         | 12.4%         | 26.1%          | 18.5%          |
| Operating Profit        | 31.3%         | 33.9%         | 25.3%          | 24.9%          |
| EBIT                    | 51.1%         | 39.8%         | 32.7%          | 33.2%          |
| Profit After Tax        | 76.6%         | 27.0%         | 71.1%          | 15.9%          |
| Total Assets            | 19.5%         | 14.9%         | 7.2%           | 10.7%          |
| Equity                  | 11.3%         | 13.0%         | 15.9%          | 16.3%          |

**Profitability**

|                        |       |       |       |       |
|------------------------|-------|-------|-------|-------|
| Gross Profit / Revenue | 13.3% | 15.7% | 16.3% | 18.0% |
| EBITDA / Revenue       | 15.5% | 18.5% | 18.4% | 19.4% |
| EBIT / Revenue         | 10.5% | 13.1% | 13.8% | 15.5% |
| NPAT / Revenue         | 8.6%  | 9.7%  | 13.2% | 12.9% |
| ROA                    | 5.3%  | 5.9%  | 9.4%  | 9.8%  |
| ROCE                   | 10.4% | 11.7% | 17.3% | 17.3% |
| ROE                    | 9.7%  | 12.4% | 14.9% | 17.7% |

**Operating Efficiency**

|                      |      |      |      |      |
|----------------------|------|------|------|------|
| Receivables Turnover | 18.2 | 10.4 | 13.9 | 13.5 |
| Inventory Turnover   | 2.6  | 2.5  | 3.0  | 3.0  |
| Payables Turnover    | 6.5  | 4.6  | 6.7  | 6.7  |

**Liquidity**

|         |     |     |     |     |
|---------|-----|-----|-----|-----|
| Current | 1.2 | 1.1 | 1.4 | 1.6 |
| Quick   | 0.5 | 0.5 | 0.8 | 1.0 |

**Financial Structure**

|                          |       |       |       |       |
|--------------------------|-------|-------|-------|-------|
| Total Debt / Equity      | 72.5% | 71.4% | 62.1% | 53.7% |
| Short-term Debt / Equity | 48.9% | 50.1% | 46.3% | 42.0% |
| Long-term Debt / Equity  | 23.7% | 21.3% | 15.8% | 11.7% |

VND billion

| <b>BALANCE SHEET</b>             | <b>FY2024</b>  | <b>FY2025</b>  | <b>FY2026F</b> | <b>FY2027F</b> |
|----------------------------------|----------------|----------------|----------------|----------------|
| Cash                             | 6,888          | 8,301          | 17,719         | 14,986         |
| Short-term financial investments | 18,975         | 19,484         | 35,196         | 62,571         |
| Receivables                      | 7,622          | 15,065         | 14,140         | 17,319         |
| Inventory                        | 46,521         | 52,828         | 54,384         | 63,107         |
| Other short-term assets          | 7,073          | 8,004          | 8,404          | 8,824          |
| Tangible Fixed Assets            | 131,458        | 144,670        | 136,611        | 128,718        |
| Intangible Fixed Assets          | 248            | 239            | 227            | 215            |
| Long-term financial investments  | 137            | 2,248          | 2,248          | 2,248          |
| Other long-term assets           | 5,474          | 6,934          | 7,281          | 7,645          |
| <b>TOTAL ASSETS</b>              | <b>224,395</b> | <b>257,773</b> | <b>276,209</b> | <b>305,633</b> |
| Payables & Advances              | 18,593         | 28,538         | 24,720         | 28,685         |
| Short-term debt                  | 55,883         | 64,695         | 69,303         | 73,116         |
| Long-term debt                   | 27,080         | 27,479         | 23,626         | 20,435         |
| Other short-term payables        | 7,258          | 5,014          | 5,114          | 5,216          |
| Bonus and welfare fund           | 1,027          | 976            | 1,637          | 1,898          |
| Science and technology fund      | 0              | 0              | 0              | 0              |
| <b>TOTAL DEBT</b>                | <b>109,842</b> | <b>126,702</b> | <b>124,400</b> | <b>129,350</b> |
| Contributed Capital              | 63,963         | 76,755         | 76,755         | 76,755         |
| Treasury shares                  | 0              | 0              | 0              | 0              |
| Retained Earnings                | 49,576         | 51,035         | 71,559         | 95,966         |
| Other income                     | 0              | 0              | 0              | 0              |
| Development Investment Fund      | 816            | 1,388          | 1,388          | 1,388          |
| <b>TOTAL CAPITAL</b>             | <b>114,355</b> | <b>129,178</b> | <b>149,702</b> | <b>174,109</b> |
| Minority Interest                | 293            | 2,042          | 2,107          | 2,175          |

| <b>VALUATION RATIOS</b> | <b>FY2024</b> | <b>FY2025E</b> | <b>FY2026E</b> | <b>FY2027E</b> |
|-------------------------|---------------|----------------|----------------|----------------|
| EPS (VND/share)         | 1,766         | 1,892          | 2,886          | 3,345          |
| P/E (x)                 | 13.5          | 10.2           | 7.3            | 6.3            |
| BV (VND/share)          | 14,899        | 16,830         | 17,731         | 20,622         |
| P/B (x)                 | 1.6           | 1.6            | 1.2            | 1.0            |
| DPS (VND/share)         | 0             | 0              | 500            | 500            |
| Dividend Yield (%)      | 0.0%          | 0.0%           | 1.2%           | 2.4%           |

| <b>Valuation Model</b>          | <b>Weight</b> | <b>Price</b> | <b>Average</b> |
|---------------------------------|---------------|--------------|----------------|
| FCFF                            | 50%           | 30,425       | 15,212         |
| P/B (1.8x)                      | 50%           | 31,916       | 15,958         |
| <b>Target Price (VND/share)</b> |               |              | <b>31,100</b>  |

| <b>Valuation History</b> | <b>Target Price</b> | <b>Recommendation</b> | <b>Time</b> |
|--------------------------|---------------------|-----------------------|-------------|
| 4/2026                   | 30,200              | BUY                   | Long-term   |
| 6/2026                   | 30,800              | BUY                   | Long-term   |
| 9/2026                   | 31,100              | BUY                   | Long-term   |

**RESULT UPDATE**

This report is prepared for the purpose of providing investors with a perspective on the company and supporting investors in making investment decisions. The report is based on the analysis of the company's operations and business result forecasts based on the most updated data to determine the fair value of the stock at the time of analysis. We have endeavored to fully convey the analyst's assessments and views on the company in this report. Investors wishing to learn more or provide feedback, please contact the analyst or our customer support department.

**Types of recommendations**

| Recommendation                                  | BUY  | ACCUMULATE | HOLD      | REDUCE      | SELL  |
|-------------------------------------------------|------|------------|-----------|-------------|-------|
| Total return including dividends over 12 months | >20% | 5% to 20%  | -5% to 5% | -20% to -5% | <-20% |

**INTRODUCTION**

**RongViet Securities Corporation** (abbreviated as VDSC) was established in 2006 and is authorized to perform full securities operations including: brokerage, proprietary trading, underwriting, financial consulting and investment consulting, and securities depository. VDSC has expanded its operational network to major cities nationwide. With strategic shareholders who are also major partners such as Eximbank, Viet Long Fund Management JSC, etc., along with a professional and dynamic staff, VDSC has the human and financial potential to provide customers with suitable and effective products and services. In particular, VDSC is one of the few securities companies that first cared about developing an analysis team and prioritizing the task of providing analysis reports to support useful information for customers.

**Analysis & Investment Consulting Department** provides reports on macroeconomics and the stock market, investment strategies, industry analysis reports, company analysis, and daily and weekly stock newsletters.

**CONTACT INFORMATION**
**Lam Nguyen**
**Head of Research**

lam.ntp@vdsc.com.vn

+ 84 28 6299 2006 (1313)

**Lam Do**
**Senior Manager**

lam.dt@vdsc.com.vn

+ 84 28 6299 2006 (1524)

**Ha Tran**
**Operation Manager**

ha.ttn@vdsc.com.vn

+ 84 28 6299 2006 (1526)

**DISCLAIMERS**

This report is prepared in order to provide information and analysis to clients of Rong Viet Securities only. It is and should not be construed as an offer to sell or a solicitation of an offer to purchase any securities. No consideration has been given to the investment objectives, financial situation or particular needs of any specific. The readers should be aware that Rong Viet Securities may have a conflict of interest that can compromise the objectivity of this research. This research is to be viewed by investors only as a source of reference when making investments. Investors are to take full responsibility of their own decisions. VDSC shall not be liable for any loss, damages, cost or expense incurring or arising from the use or reliance, either full or partial, of the information in this publication.

The opinions expressed in this research report reflect only the analyst's personal views of the subject securities or matters; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or opinions expressed in the report.

The information herein is compiled by or arrived at Rong Viet Securities from sources believed to be reliable. We, however, do not guarantee its accuracy or completeness. Opinions, estimations and projections expressed in this report are deemed valid up to the date of publication of this report and can be subject to change without notice.

This research report is copyrighted by Rong Viet Securities. All rights reserved. Therefore, copy, reproduction, republish or redistribution by any person or party for any purpose is strictly prohibited without the written permission of VDSC. Copyright 2022 Viet Dragon Securities Corporation.

**IMPORTANT DISCLOSURES FOR U.S. PERSONS**

This research report was prepared by Viet Dragon Securities Corp. ("VDSC"), a company authorized to engage in securities activities in Vietnam. VDSC is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

**Additional Disclosures**

This research report is for distribution only under such circumstances as may be permitted by applicable law. This research report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This research report is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither VDSC nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report.

VDSC may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of VDSC.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. 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 United States.

The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars 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.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by VDSC with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior.

**RESEARCH DISCLOSURES****Third Party Research**

This is third party research. It was prepared by Rong Viet Securities Corporation (Rong Viet), with headquarters in Ho Chi Minh City, Vietnam. Rong Viet is authorized to engage in securities activities according to its domestic legislation. This research is not a product of Tellimer Markets, Inc., a U.S. registered broker-dealer. Rong Viet has sole control over the contents of this research report. Tellimer Markets, Inc. does not exercise any control over the contents of, or the views expressed in, research reports prepared by Rong Viet.

Rong Viet is not registered as a broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" and other "U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Tellimer Markets, Inc., located at 575 Fifth Avenue, 27<sup>th</sup> Floor, New York, NY 10017. A representative of

Tellimer Markets, Inc. is contactable on +1 (212) 551 3480. Under no circumstances should any U.S. recipient of this research report effect any transaction to buy or sell securities or related financial instruments through Rong Viet. Tellimer Markets, Inc. accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor.

None of the materials provided in this report may be used, reproduced, or transmitted, in any form or by any means, electronic or mechanical, including recording or the use of any information storage and retrieval system, without written permission from.

Rong Viet is the employer of the research analyst(s) responsible for the content of this report and research analysts preparing this report are resident outside the U.S. and are not associated persons of any U.S. regulated broker-dealer. The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of Tellimer Markets, Inc. and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Tellimer Markets, Inc. or its affiliates has not managed or co-managed a public offering of securities for the subject company in the past 12 months, has not received compensation for investment banking services from the subject company in the past 12 months, and does not expect to receive or intend to seek compensation for investment banking services from the subject company in the next three months. Tellimer Markets, Inc. has never owned any class of equity securities of the subject company. There are no other actual, or potential, material conflicts of interest of Tellimer Markets, Inc. at the time of the publication of this report. As of the publication of this report, Tellimer Markets, Inc. does not make a market in the subject securities.

#### **About Tellimer**

Tellimer is a registered trade mark of Exotix Partners LLP. Exotix Partners LLP and its subsidiaries ("Tellimer") provide specialist investment banking services to trading professionals in the wholesale markets. Tellimer draws together liquidity and matches buyers and sellers so that deals can be executed by its customers. Tellimer may at any time, hold a trading position in the securities and financial instruments discussed in this report. Tellimer has procedures in place to identify and manage any potential conflicts of interests that arise in connection with its research. A copy of Tellimer's conflict of interest policy is available at [www.tellimer.com/regulatory-information](http://www.tellimer.com/regulatory-information).

#### **Distribution**

This report is not intended for distribution to the public and may not be reproduced, redistributed or published, in whole or in part, for any purpose without the written permission of Tellimer. Tellimer shall accept no liability whatsoever for the actions of third parties in this respect. This report is for distribution only under such circumstances as may be permitted by applicable law.

This report may not be used to create any financial instruments or products or any indices. Neither Tellimer, nor its members, directors, representatives, or employees accept any liability for any direct or consequential loss or damage arising out of the use of all or any part of the information herein.

**United Kingdom:** Distributed by Exotix Partners LLP only to Eligible Counterparties or Professional Clients (as defined in the FCA Handbook). The information herein does not apply to, and should not be relied upon by, Retail Clients (as defined in the FCA Handbook); neither the FCA's protection rules nor compensation scheme may be applied.

**UAE:** Distributed in the Dubai International Financial Centre by Exotix Partners LLP (Dubai) which is regulated by the Dubai Financial Services Authority ("DFSA"). Material is intended only for persons who meet the criteria for Professional Clients under the Rules of the DFSA and no other person should act upon it.

**Other distribution:** The distribution of this report in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restriction.

#### **Disclaimers**

Tellimer and/or its members, 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 referred to herein. Tellimer may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups of Tellimer.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. 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 United States. The value of any investment or income from any securities or related financial instruments discussed in this report denominated in a currency other than U.S. dollars 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.

Frontier and Emerging Market laws and regulations governing investments in securities markets may not be sufficiently developed or may be subject to inconsistent or arbitrary interpretation or application. Frontier and Emerging Market securities are often not issued in physical form and registration of ownership may not be subject to a centralised system. Registration of ownership of certain types of securities may not be subject to standardised procedures and may even be effected on an ad hoc basis. The value of investments in Frontier and Emerging Market securities may also be affected by fluctuations in available currency rates and exchange control regulations. Not all of these or other risks associated with the relevant company, market or instrument which are the subject matter of the report are necessarily considered.

## OPERATING NETWORK

### HEADQUARTER IN HO CHI MINH CITY

1st floor to 8th floor, Viet Dragon Tower, 141 Nguyen Du, Ben Thanh Ward, Ho Chi Minh City

**T** (+84) 28 6299 2006 **E** info@vdsc.com.vn  
**W** www.vdsc.com.vn **Tax code** 0304734965

### HANOI BRANCH

10th floor, Eurowindow Tower, 02 Ton That Tung, Kim Lien Ward, Hanoi

**T** (+84) 24 6288 2006  
**F** (+84) 24 6288 2008

### NHA TRANG BRANCH

7th floor, Sacombank Tower, 76 Quang Trung, Nha Trang Ward, Khanh Hoa Province

**T** (+84) 25 8382 0006  
**F** (+84) 25 8382 0008

### CAN THO BRANCH

8th floor, Sacombank Tower, 95-97-99 Vo Van Tan, Ninh Kieu Ward, Can Tho City

**T** (+84) 29 2381 7578  
**F** (+84) 29 2381 8387

### VUNG TAU BRANCH

2nd floor, VCCI Building Tower, 155 Nguyen Thai Hoc, Tam Thang Ward, Ho Chi Minh City

**T** (+84) 25 4777 2006

### BINH DUONG BRANCH

3rd floor, Becamex Tower, 230 Binh Duong Avenue, Phu Loi Ward, Ho Chi Minh City

**T** (+84) 27 4777 2006

### DONG NAI BRANCH

8th floor, TTC Plaza Building Tower, 53-55 Vo Thi Sau, Tran Bien Ward, Dong Nai Province

**T** (+84) 25 1777 2006



**BEST INVESTMENT RESEARCH  
VIETNAM 2025**  
GLOBAL BANKING & FINANCE AWARDS