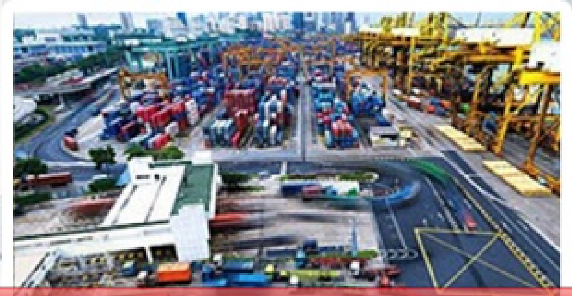
RONG VIET SECURITIES



Preliminary 2H2020 outlook

August 2020

STEEL INDUSTRY: Competition and Opportunities

Tu Pham – tu.pm@vdsc.com.vn

The industry was hit strongly by COVID-19

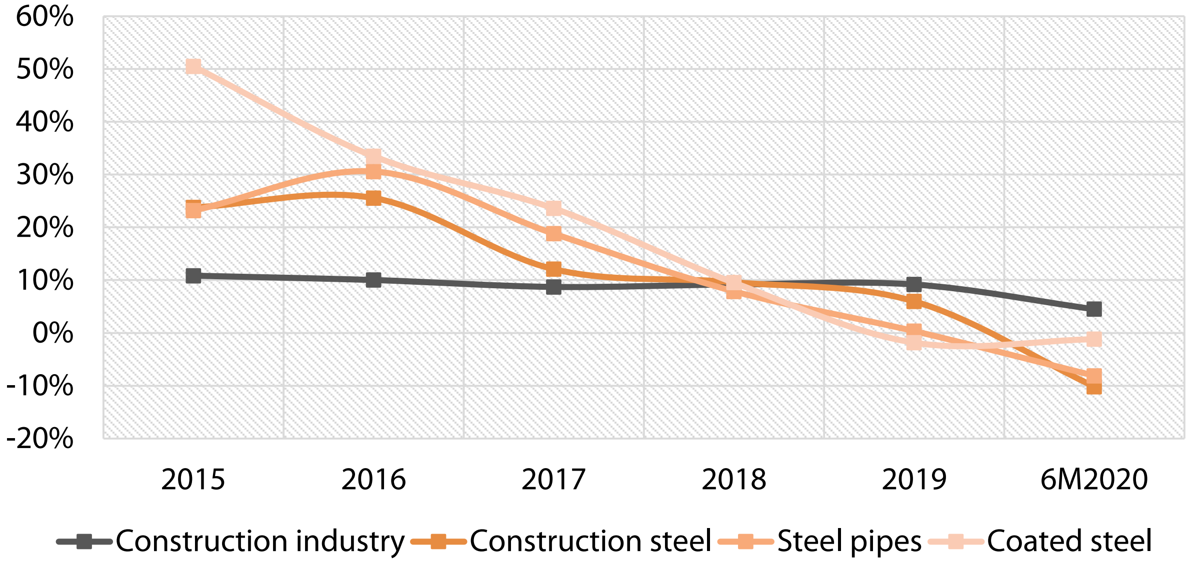
COVID-19's impact is more extreme in the construction and steel pipe segments

- The construction industry grew by 4.5% in 6M2020 (6M2019: 7.8%), which was higher than the GDP growth rate of 1.8%.
- Construction steel and steel pipe selling volume decreased by 8.1% and 6.8% respectively, while that of coated steel fell by just 1.2% owing to strong domestic demand.

Export activities were still facing difficulties

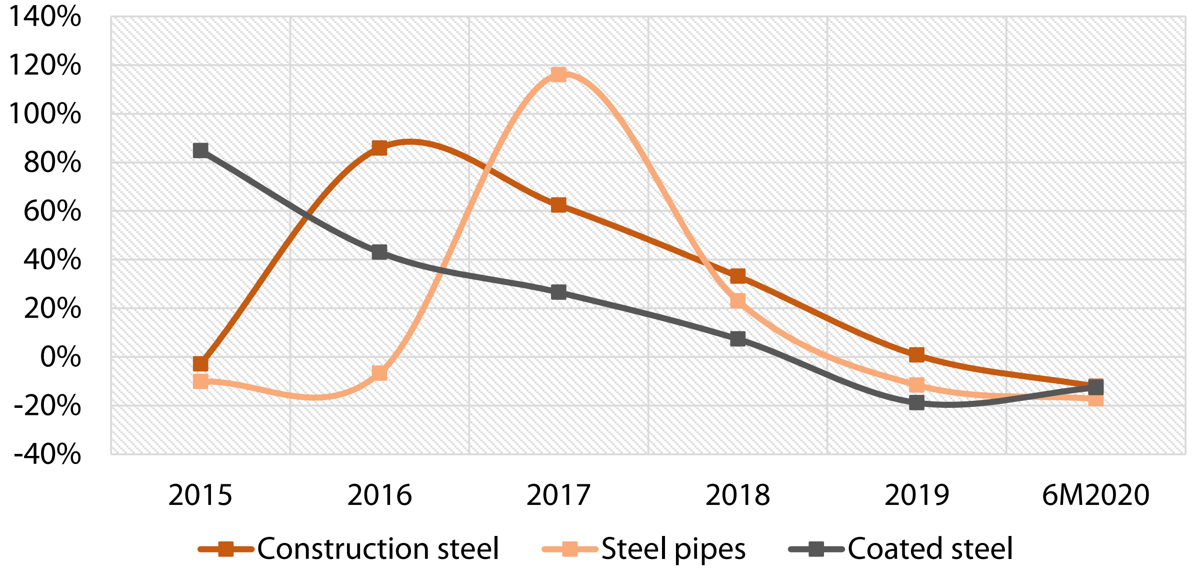
- Due to weak demand and social distancing, finished product export volume decreased by 12.8%.
- Coated steel and construction steel export volume fell by 12.1% and 12.6% respectively.

Figure 1: Steel industry growth rate, by segments



Source: VSA, Rong Viet Securities

Figure 2: Export volume growth

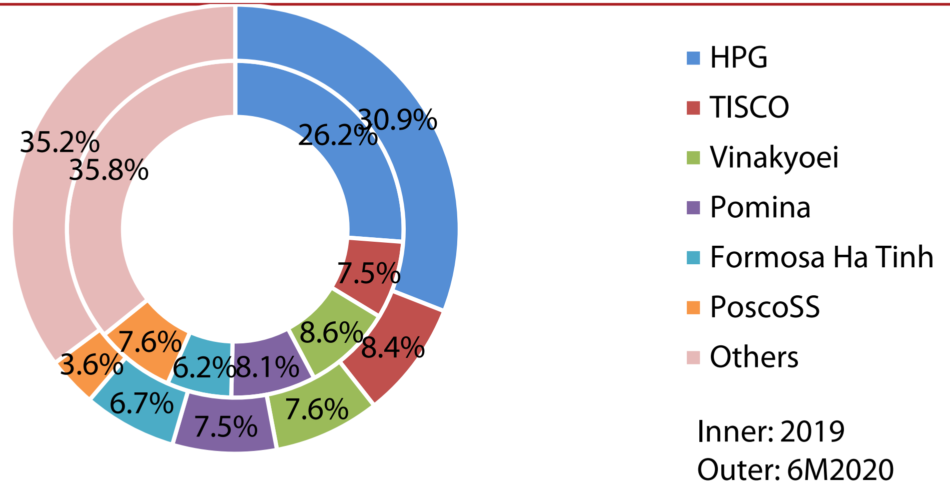


Source: VSA, Rong Viet Securities

Market leaders' dominance remains strong

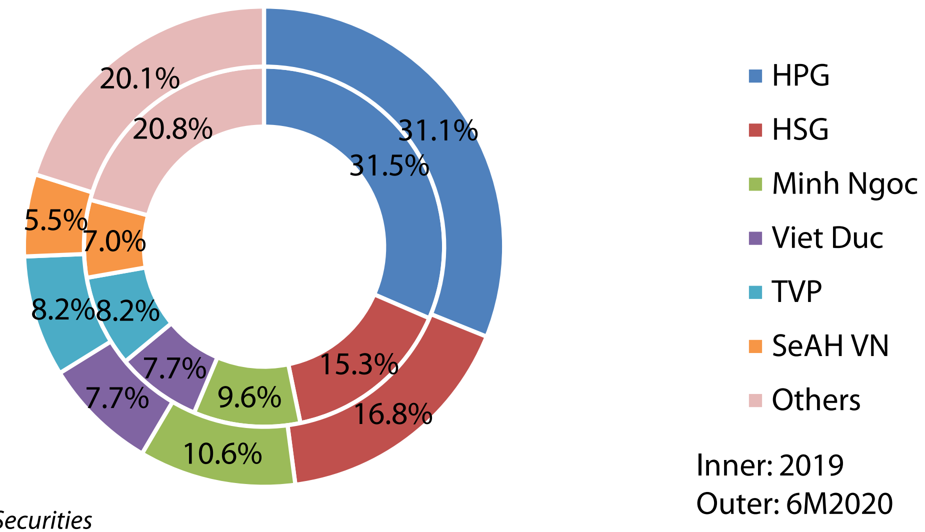
- HPG gained market share in the Southern and Central markets, while Vinakyoei was under high pressure and Posco SS left the rebar segment.
- HPG is still by far the market leader in the steel pipe segment. The company is likely to open a new factory as its utilization rate reached roughly 87%.
- In the coated steel segment, TVP's market share continued to increase from 5.5% in 2018 to 7.4% in 2019 and 10.6% in 6M2020.

Figure 3: Construction steel segment



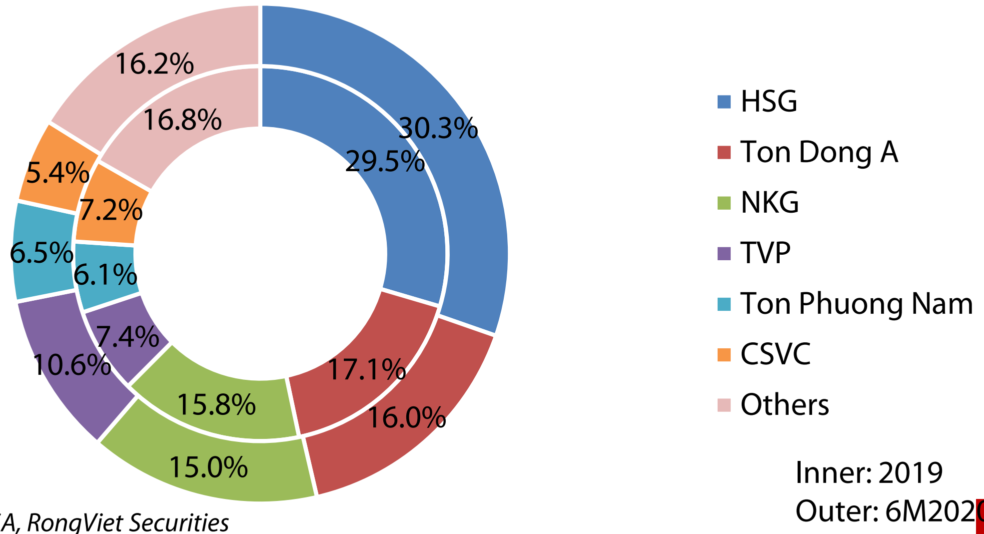
Source: VSA, RongViet Securities

Figure 4: Steel pipe segment



Source: VSA, RongViet Securities

Figure 5: Coated steel segment



Source: VSA, RongViet Securities

STEEL INDUSTRY: REVIEW

Lower material prices did not benefit manufacturers

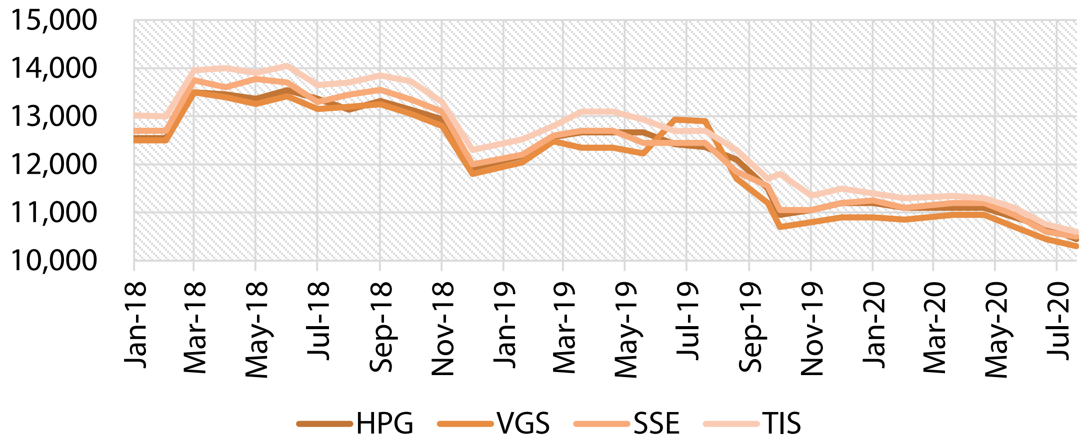
Steel production cost were lower owing to coking coal and steel scrap prices' movement

- In 1H2020, coking coal, steel scrap and iron ore average prices fell by 23%, 14% and 3%, respectively.
- Production costs for steel billet by BOF or EAF both decreased by 10%.

Race of cutting prices to compete

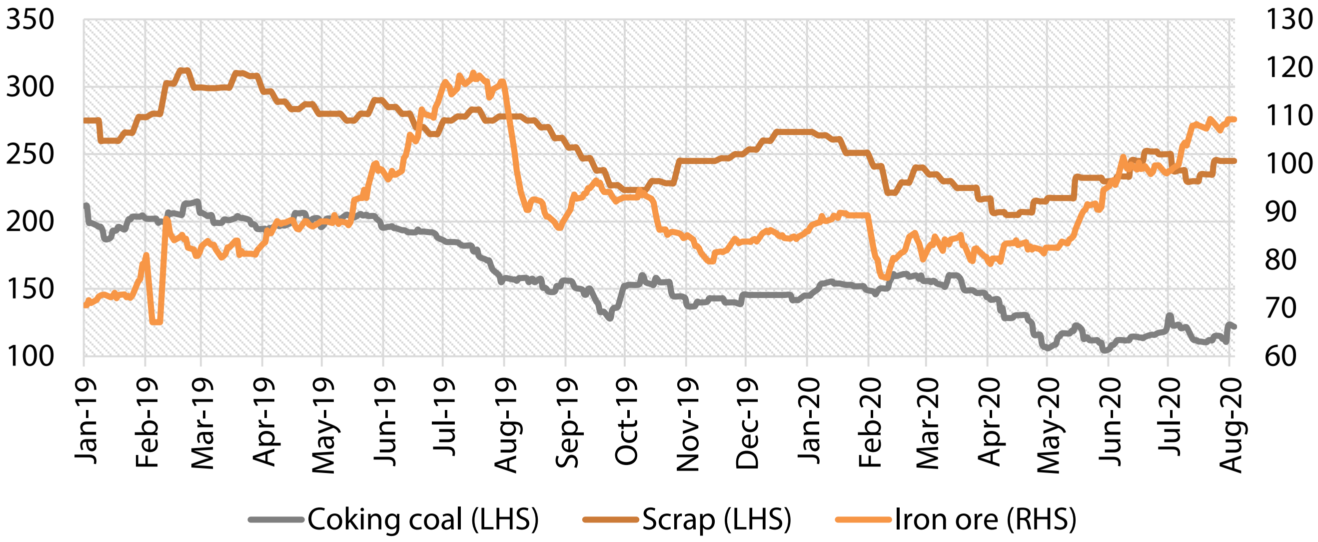
- Weak demand caused by COVID-19 led steel manufacturers to reduce their selling prices to maintain sales.
- Average construction steel prices decreased by 10% in the North and 8% in the South.

Figure 6: Construction steel prices in the North (VND/kg)



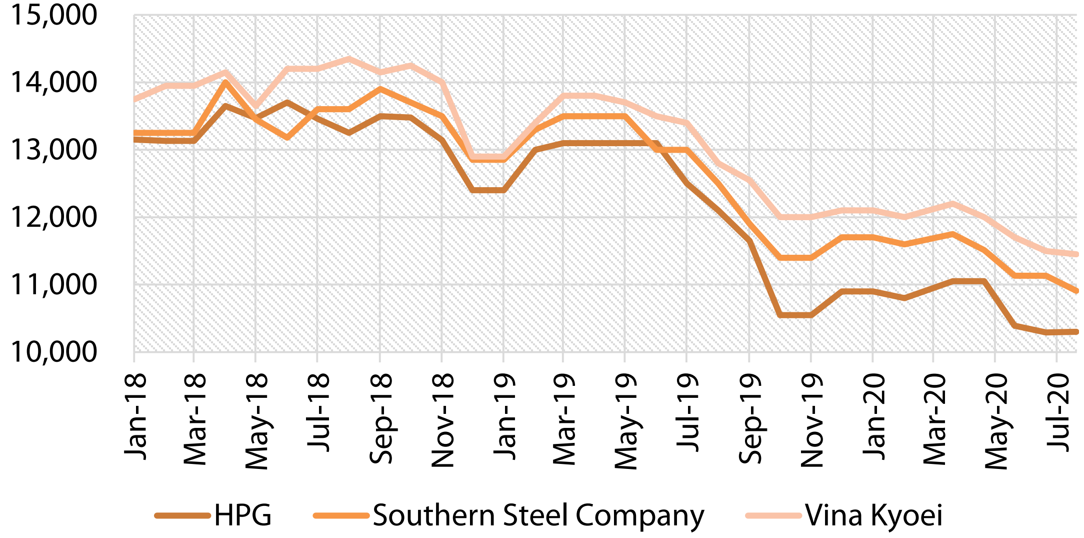
Source: VSA, Rong Viet Securities

Figure 7: Material prices (USD/ton)



Source: VSA, Rong Viet Securities

Figure 8: Construction steel prices in the South (VND/kg)



Source: VSA, Rong Viet Securities

Possible opportunity from public investment and FDI inflows

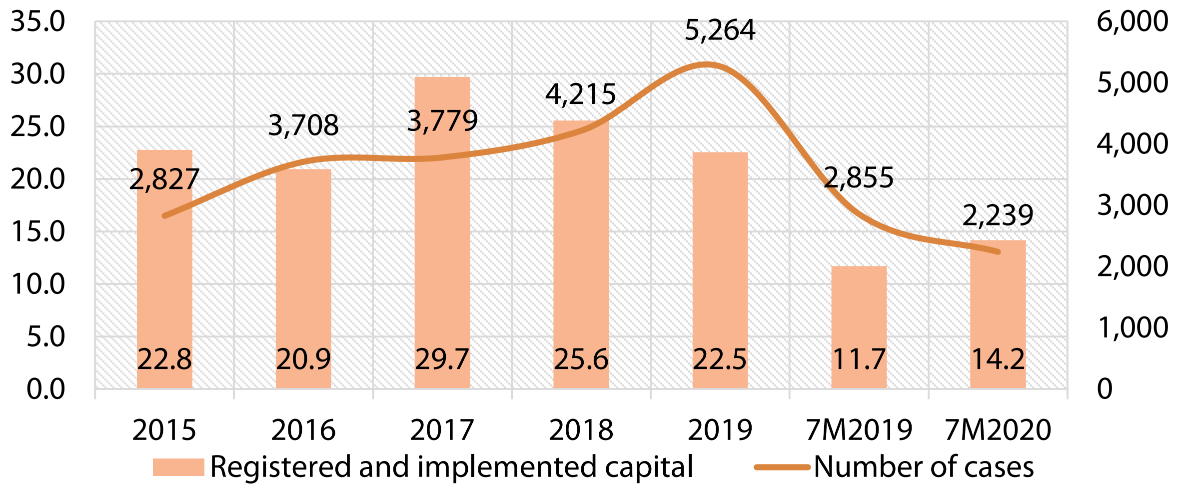
The steel industry can benefit from large public investments in infrastructure. However, the disbursement progress is still facing obstacles.

- 22% of the public investment budget, VND 700 trillion, will be spent in major transport projects. However, the pace of disbursement is still slow as just 22% of the investment plan was spent in 1H.

The shift of manufacturers from China can boost the demand for steel pipes and coated steel, but the restructuring of the production base is still at the planning stage.

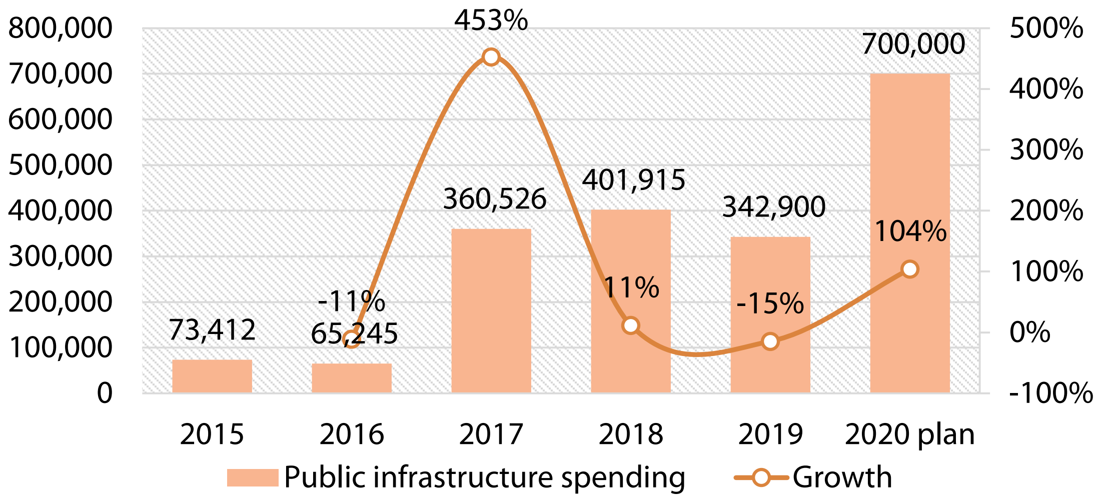
- Vietnam has competitive advantages to attract FDI, including the ability to control COVID-19, FTAs, a large consumption market and low labor costs.
- Vietnam is one of Japanese companies' favorite country to expand business. 15 in 30 Japanese companies, which were financed by the Government of Japan to move out of China, chose Vietnam to open new factories.
- The shift of manufacturers is still in a planning stage as of 7M2020. The production number of FDI projects decreased by 22% YoY. Although the registered and implemented capital from FDI increase by 21% YoY to USD 14.2 billion, only LNG Bac Lieu project contributed USD 4 billion.

Figure 9: Vietnam's FDI inflows (USD bn, LHS) & number of projects (RHS)



Source: General Statistics Office Of Vietnam

Figure 10: Vietnam's public investment (VND bn)



Source: General Statistics Office Of Vietnam

Competition in the industry is harsh

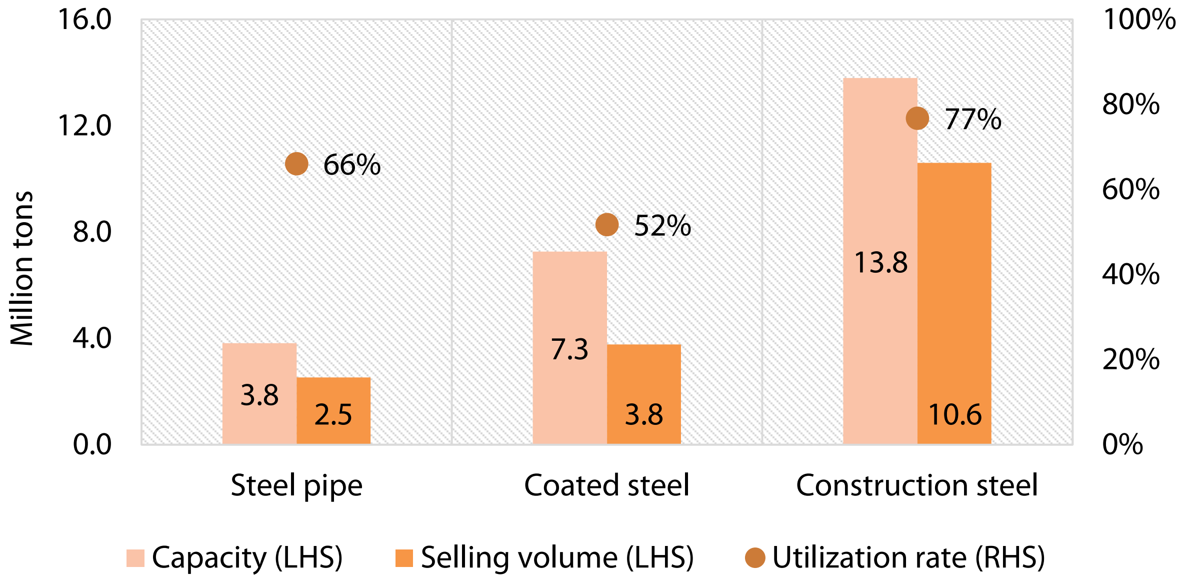
New capacity leads to oversupply

- Main steel segments were already heavily oversupplied, especially in the coated steel segment.
- Long steel: capacity increased by 20% from 12.3 million tons per year in 2018 to 15.8 million tons per year in 2020. In late-2020, Pomina plans to run commercially its new BOF, which has a capacity of one million tons per year.
- Flat steel: HPG is likely to open a new steel pipe factories in the South.

Gross margin could go down in the steel pipe and construction steel segments

- Higher competition forces manufacturers to cut their margin to maintain sales in the construction steel segment.
- Running HRC production lines commercially helps HPG to become the only domestic manufacturer that completed value chain in flat steel segment. This company could eliminate competitors by lowering margin in steel pipe and coated steel segments.

Figure 11: Design capacity and utilization rate in main steel segments (2019)



Source: Rong Viet Securities

Construction steel prices are likely to increase throughout 2H2020, but HRC prices may not

BOF production costs are increasing at higher pace than EAF, but only in the short-term

- Iron ore surged to 105 USD/ton in July due to concerns on the serious coronavirus situation in Brazil. Meanwhile, steel scrap increased by just 3%. Higher iron ore prices put pressure on BOF manufacturers' margin and harm their competitive advantages.

- In 2021, China could allow scrap import to help domestic steel manufacturers. This will boost Vietnam's steel scrap prices and harm EAF manufacturers' margin.

Construction steel prices are likely to increase, but HRC prices are hard to predict

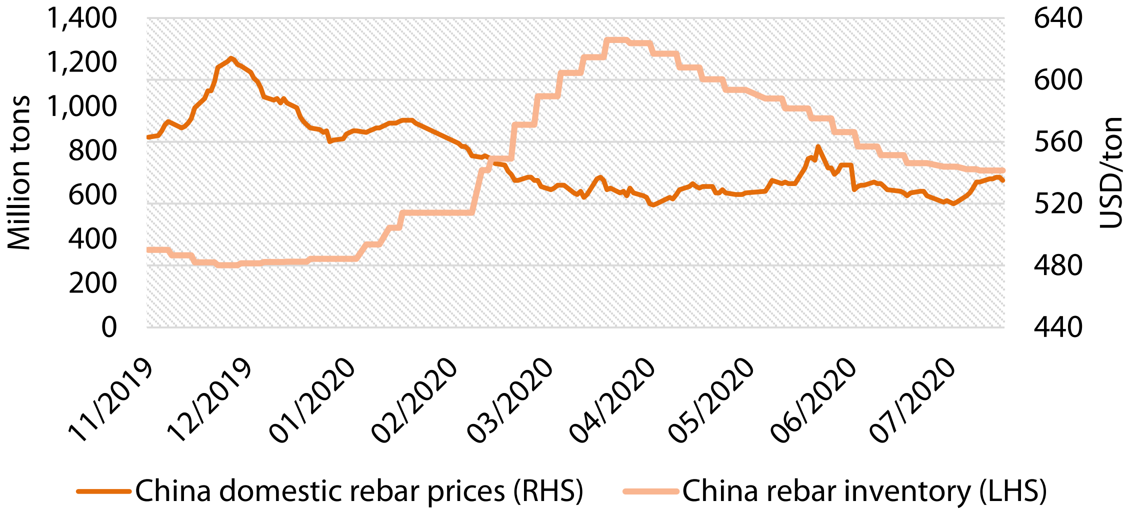
- HPG, the largest domestic construction steel manufacturer, plans to increase prices in 2H2020 due to higher production costs. In the short term, EAF manufacturers can benefit from increasing prices.

- Demand for rebar is strong due to the large investment on infrastructure not only in Vietnam, but also in other Asian countries. We expect that construction steel producers will earn higher gross margin from late-2020.

- In the short term, strong HRC prices are going to benefit flat steel manufacturers, such as HSG, NKG, SMC.

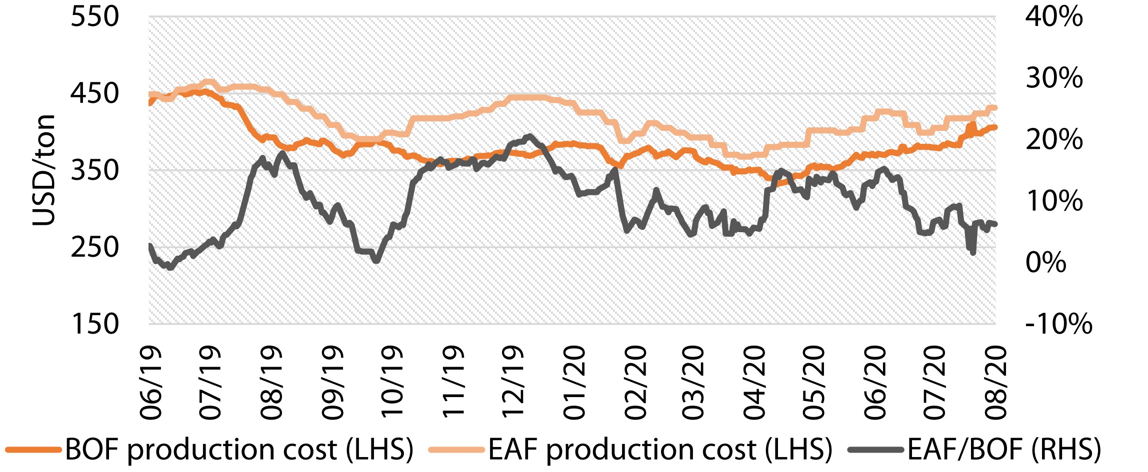
- In the intermediate term, the demand for HRC could be weak globally because of the low spending on automobiles and machineries. In the domestic market, strong industrial construction growth could boost HRC consumption.

Figure 12: High demand for rebar in China



Source: Bloomberg, Rong Viet Securities

Figure 13: Steel billet production costs are increasing



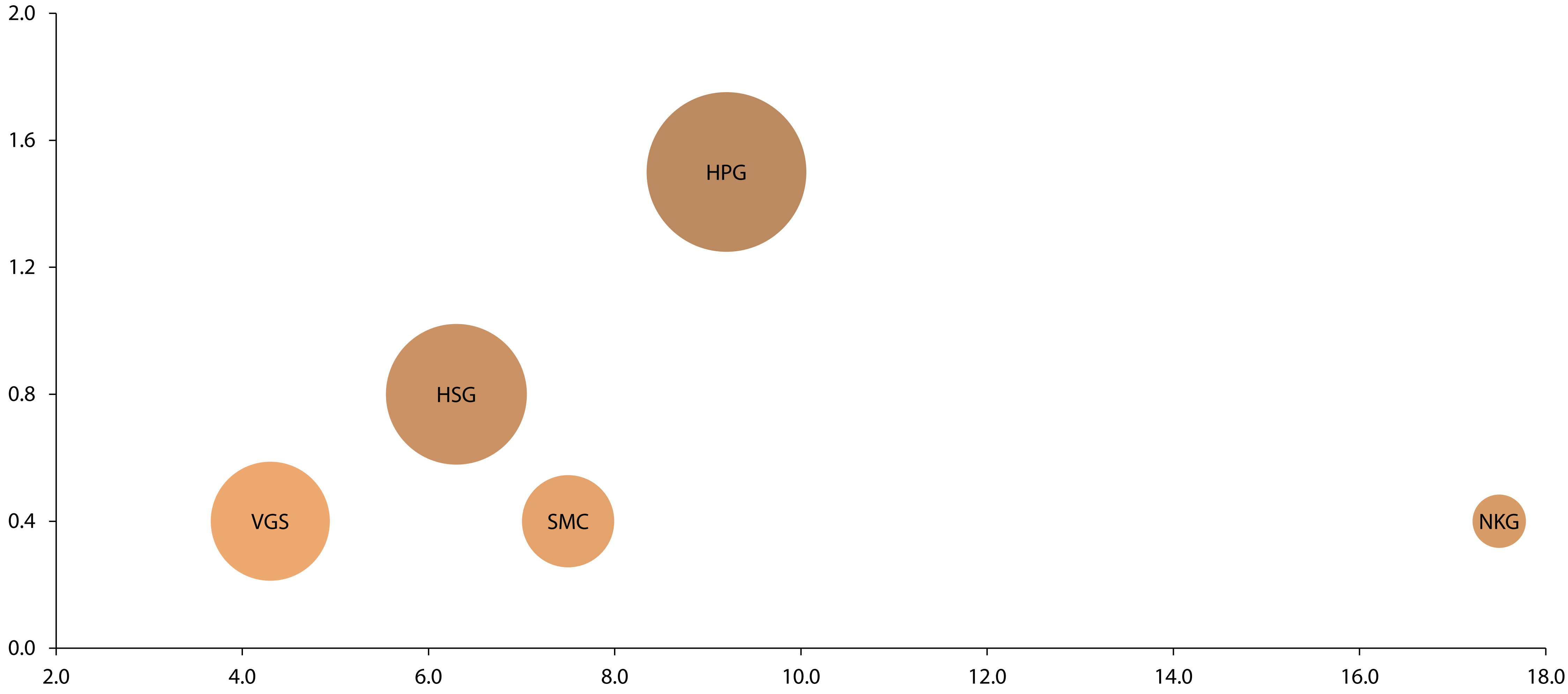
Source: Bloomberg, Rong Viet Securities

Industry comparable: 1H2020 financials

Ticker	Market cap (USD mn)	Target price (VND)	Sales Growth (% YoY)	EBITDA Growth (% YoY)	EBITDA Margin (%)	Operating Income Margin (%)	Net Income Growth (% YoY)	Net Profit Margin (%)	ROA (%)	ROE (%)	DY (%)	Current P/E (x)	Current P/B (x)
HPG	3,461.00	29,400	29.60	44.50	22.40	16.80	31.10	12.70	8.30	17.70	0.00	9.20	1.50
HSG	214.80	N/A	-10.80	-25.00	7.20	7.20	139.60	4.10	4.70	13.70	0.00	6.30	0.80
NKG	51.60	N/A	-19.30	78.80	7.50	3.50	73.10	1.20	0.90	2.40	0.00	17.50	0.40
SMC	25.80	N/A	-18.30	-35.30	2.10	1.80	-25.30	0.70	1.50	5.80	0.00	7.50	0.40
VGS	12.70	N/A	-4.60	-7.50	1.70	1.30	-24.50	0.60	4.00	9.90	0.00	4.30	0.40
TVN	154.10	N/A	25.00	23.50	4.20	2.50	-88.80	0.30	0.60	1.10	0.00	33.70	0.40

Source: Bloomberg, RongViet Securities. Share price as of 07 Aug 2020.

Industry comparable



Source: FiinGroup, Rong Viet Securities. Bubble size equals respective ROE. Share price as of 07 Aug 2020.

HPG – AN EXPRESS TRAIN DURING COVID-19

INVESTMENT RATIONALE

High capacity can be transformed into high profit growth

- HPG can gain additional capacity in the South as its market share is just 24%.
- High billet volume allows HPG to export and prepare for the rising demand from domestic demand.

HPG's HRC production lines are going to change Vietnam's flat steel segment

- Demand for construction steel is surging in not only Vietnam, but also in Asian countries owing to public investment in infrastructure.
- Accelerating public investment disbursement in Vietnam is a promising sign. In addition, there are possible opportunity from FDI inflows, as Vietnam is one of the most favorite countries to see production shifting from China.
- China's steel industry is losing its competitive advantages due to environmental policies.

HPG's HRC production lines are going to change Vietnam's flat steel segment

- The complete value chain in this segment is the key advantage to dominate the steel pipe and coated steel segments.

RISKS TO OUR CALL

- Material and steel prices could change unfavorably.
- USD/VND rate's movement could affect HPG's net income negatively as in 1Q2020.
- HPG's HRC segment could meet operating and market difficulties.

BUY +22%

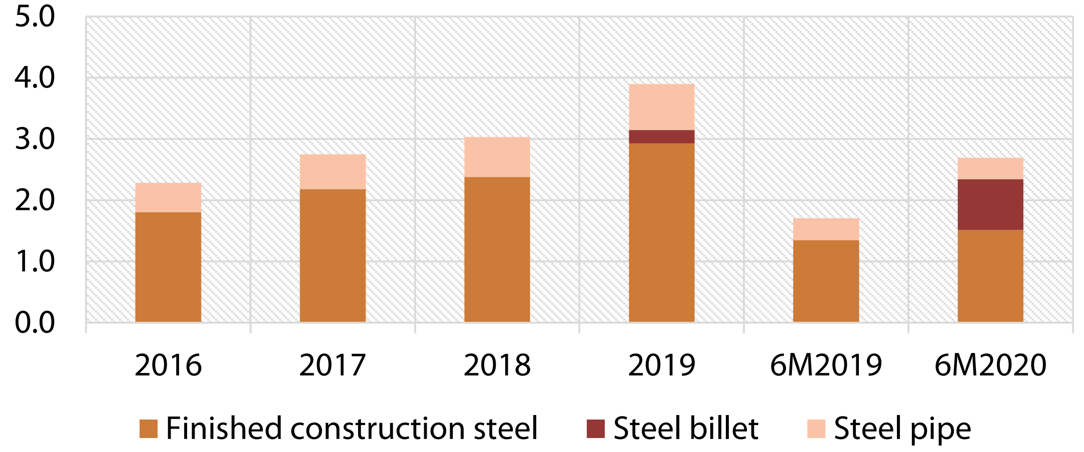
CMP (VND)	**24,100**
Target price (VND)	**29,400**
Cash dividend in 12 months	*0*

STOCK INFO	
Sector	Basic Materials
Market Cap ($ mn)	3,461
Current Shares O/S (mn shares)	3,313
3M Avg. Volume (K)	13,069
3M Avg. Trading Value ($ mn)	14.9
Remaining foreign room (%)	13.2
52-week range ('000 VND)	12.5-24.4

FORECAST	2018A	2019A	2020E	2021F
Revenue (VND bn)	**55,836**	**63,658**	**88,790**	**97,376**
Growth (%)	*21.0*	*14.0*	*39.5*	*9.7*
NPATMI (VND bn)	**8,573**	**7,508**	**10,585**	**13,089**
Growth (%)	*7.3*	*-12.4*	*41.0*	*23.7*
ROA (%)	11.0	7.4	9.8	11.4
ROE (%)	21.2	15.8	18.8	20.1
EPS (VND)	2,452	2,130	3,604	4,456
Book Value (VND)	14,661	17,241	20,342	23,598
Cash dividend (VND)	0	0	500	1,000
P/E (x) (*)	7.7	6.6	8.0	6.5
P/B (x) (*)	1.6	1.4	1.2	1.0

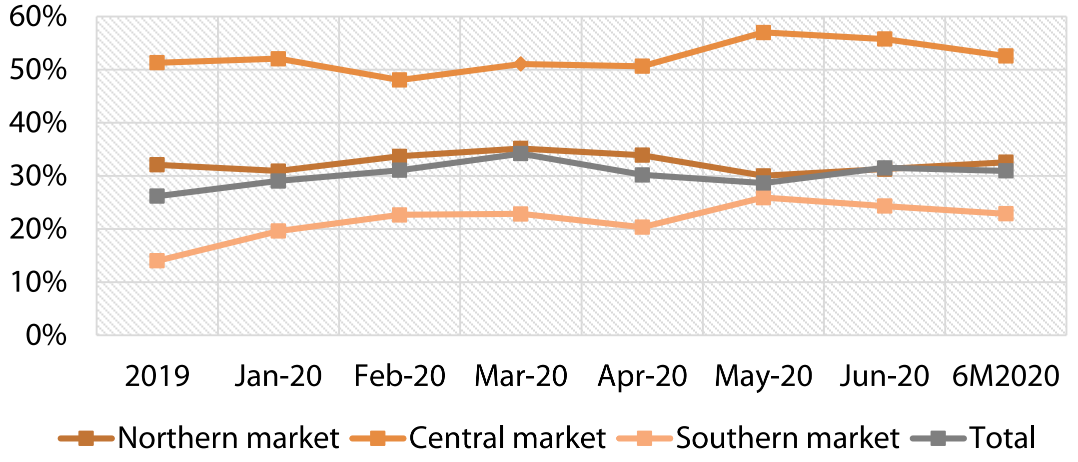
(*) Share price as of Aug 7^{th}, 2020.

Figure 1: HPG's selling volume (million tons)



Source: HPG, RongViet Securities

Figure 2: HPG's market share



Source: HPG, Rong Viet Securities

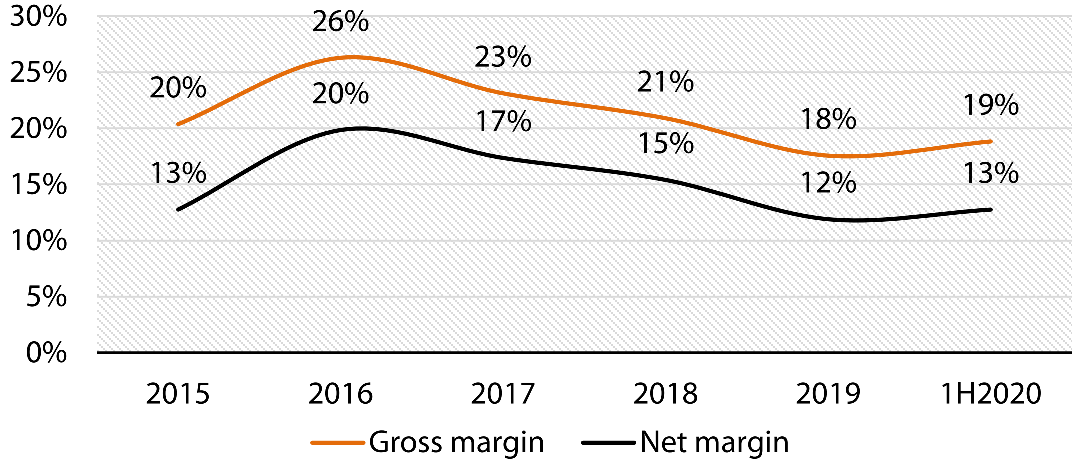
Profit met our expectations, while selling volume was better

- Despite the COVID-19 impact, net profit increased by 31% YoY in 1H2020.
- HPG's market share in the South surged from 14% in 2019 to 23% in 1H2020. Steel billet exports reached 831 thousand tons.
- High hog prices still supported the company's profit.

Gross margin did not improve significantly

- Lower coking coal prices allowed HPG to maintain low price in the South to gain market share.

Figure 3: HPG's margin



Source: HPG, RongViet Securities

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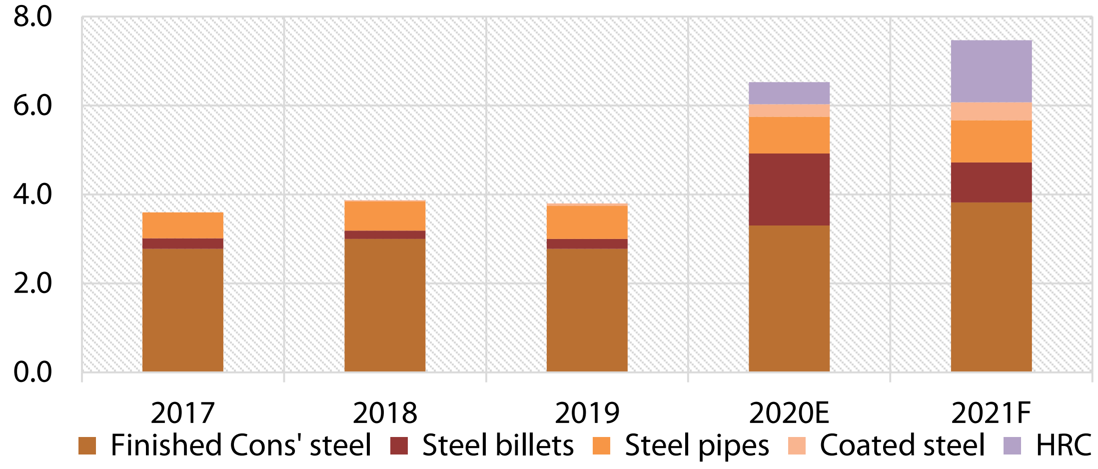
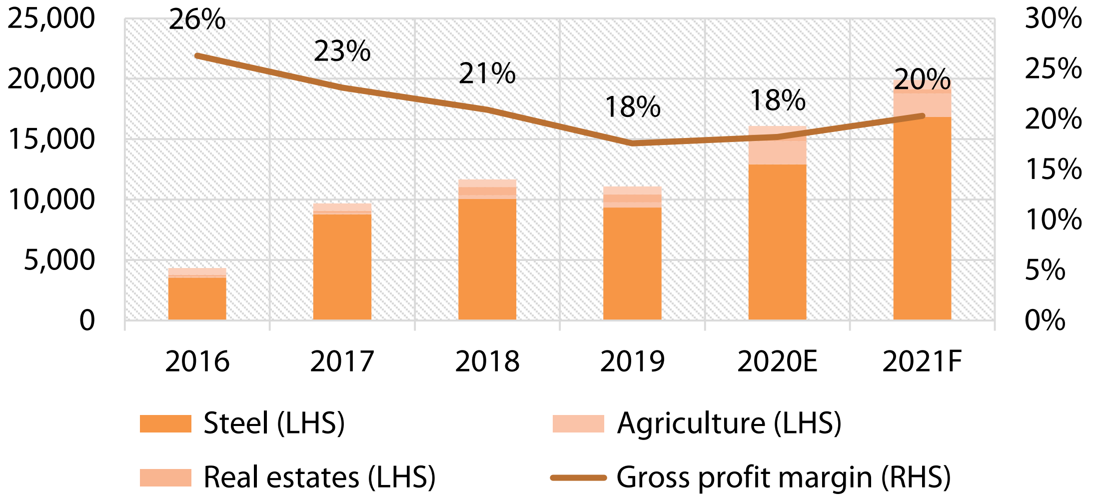
Figure 4: Steel selling volume forecast (million tons)



Source: HPG, Rong Viet Securities

Figure 5: Gross margin (%) and gross profit (VND bn) forecast



Source: HPG, Rong Viet Securities

Steel segment: Increased iron ore prices will harm margins in the short term. Public investment disbursement accelerated in July.

- We assume: Rebar prices will rise steadily to VND 11,600/kg at the end of 2020. HRC prices of USD 430/ton in 2020 and 2021.
- Increasing competition from Pomina is a threat to HPG's margin.
- Iron ore prices reached 107 USD/ton. BOF's production cost is just 6-8% lower than EAF's. Hence, HPG is under pressure to increase selling prices, hence, its market share could not increase as fast as in 1H2020.
- Steel selling volume is forecasted to increase by 65% YoY in 2020 to 6 million tons, owing to new capacity from the Dung Quat plant.

Agriculture and other segments.

- Hog production is recovering and the supply is expected to meet demand in 4Q. Hence, lower hog prices could lead net income from the agriculture segment to decrease from VND 840 billion in 1H to VND 550 billion in 2H. Other segments will be stable.

Key forecasts:

- In 2020, revenue is expected to grow by 39% to VND 89,000 billion.
- Net income is forecasted to increase by 41% in 2020 and 24% in 2021, mainly from the construction steel segment.
- The HRC segment could face difficulties asglobal demand is weak. COVID-19 has a negative effect on the automobile and machinery industry. However, domestic demand from industrial construction can support HPG's margin in this segment.

SMC – The worst is over and the turning point is coming

INVESTMENT RATIONALE

SMC has advantages to take opportunities from theindustry's growth

- Vietnam's infrastructure development requires large amount of steel, which benefit SMC's trading and steel pipe segments. In addition, the shift of production lines to Vietnam can boost the demand for steel pipe ad coil processing services.
- The company has a strong competitive ability owing to well-developed relationships with suppliers and customers, diverse products, additional services, and presence in key areas.
- Selling volume growth is recovering despite tough market conditions.

New coil centers in Da Nang and a steel pipe factory are SMC's growth engines

- In 2020, coil processing and steel pipe capacity increases by 30% and 14.3%, respectively.
- Steel pipe segment grew fast and has been more profitable due to its proper selling ability.

SMC maintains an attractive dividend policy

- In the steel industry, SMC is a rare company that paid a high cash dividend on a yearly basis.
- For 2020, it expects to pay a 10% dividend by cash, equivalent to a yield of 9.1%.

RISKS TO OUR CALL

- HRC prices could fluctuate widely and be in a downtrend.
- Foreign exchange rate movements have a significant impact on SMC's profit.

BUY +22%

CMP (VND)	**9,950**
Target price (VND)	**11,100**
Cash dividend in 12 months	*1,000*

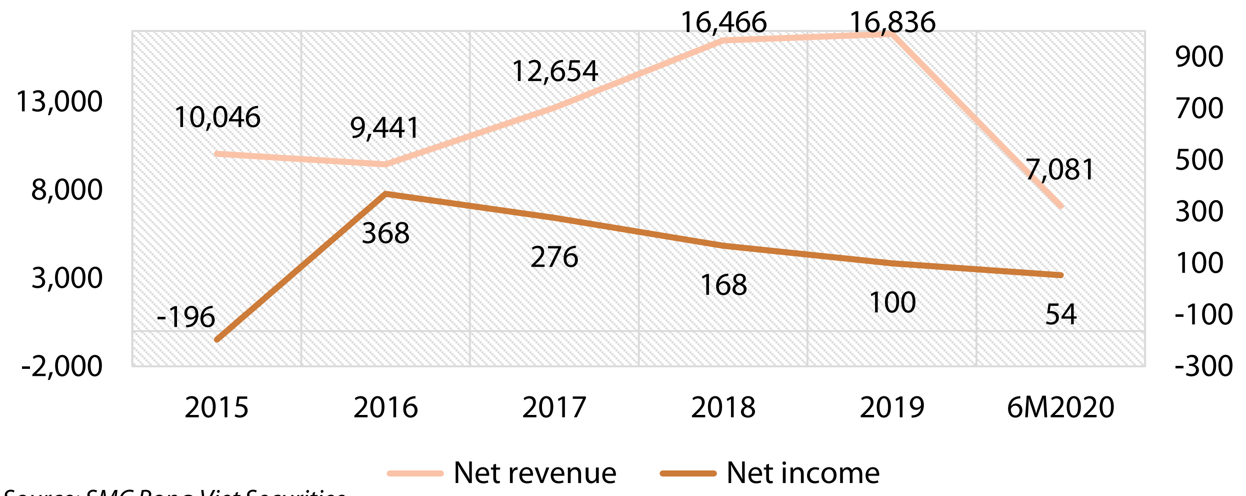
STOCK INFO	
Sector	Basic Materials
Market Cap ($ mn)	26
Current Shares O/S (mn shares)	61
3M Avg. Volume (K)	116
3M Avg. Trading Value ($ mn)	0.1
Remaining foreign room (%)	15.9
52-week range ('000 VND)	9.5-12.7

FORECAST	2018A	2019A	2020F	2021F
Revenue (VND bn)	**16,466**	**16,836**	**16,300**	**18,213**
Growth (%)	*30.1*	*2.2*	*-3.2*	*11.7*
NPATMI (VND bn)	**172**	**92**	**109**	**161**
Growth (%)	*-39.2*	*-46.6*	*19.4*	*47.4*
ROA (%)	3.4	1.8	2.0	2.9
ROE (%)	13.7	7.1	6.9	9.6
EPS (VND)	3,121	1,595	1,776	2,618
Book Value (VND)	22,717	21,026	25,949	27,567
Cash dividend (VND)	1,000	1,000	1,000	1,000
P/E (x) (*)	11.1	21.8	5.6	3.8
P/B (x) (*)	1.5	1.6	0.4	0.4

(*) Share price as of Aug 7th, 2020.

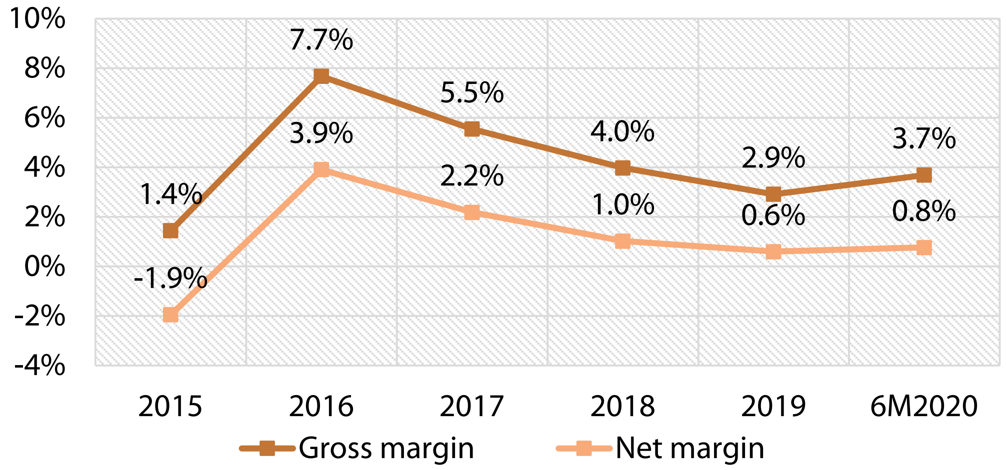
SMC – 1H2020 Review: Still safe after big waves

Figure 1: SMC's revenue and net income (VND bn)



Source: SMC Rong Viet Securities.

Figure 2: SMC's margins



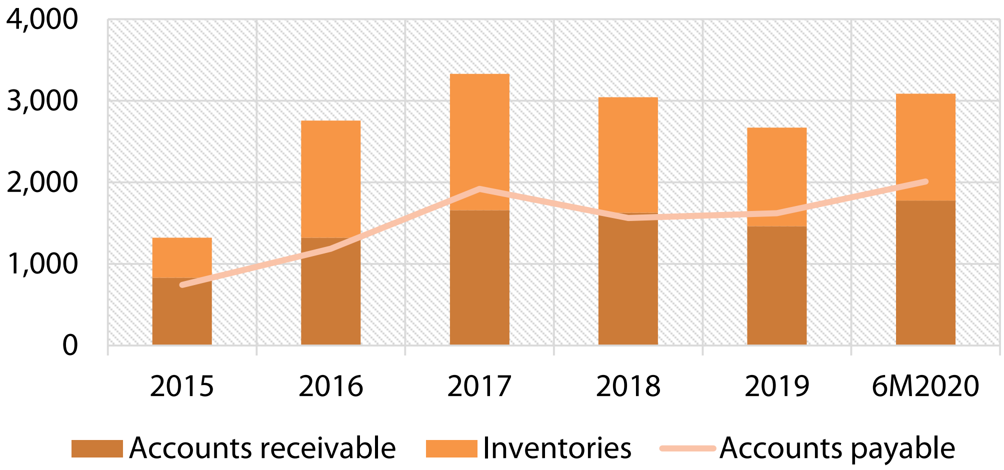
Source: SMC Rong Viet Securities.

SMC's business became more profitable despite tough market conditions

- In 6M2020, selling volume decreased by 5% YoY due to weak demand during COVID-19. Meanwhile, HRC prices fell by 15% YoY, leading to 14% YoY lower average selling prices.
- Gross margin improved from 2.9% in 2019 to 3.7% in 1H2020 due to surged HRC prices in 1Q and good working capital management. Net profit was equivalent to 40% of annual target.
- Interest expenses decreased by 20% YoY owing to lower total borrowings, falling by 15% YoY. Sales activities in June are becoming more dynamic, leading to higher receivables, inventory.

Steel pipe segment performed well as SMC sold roughly 96 thousand tons, which increased by 14% and was equivalent to 60% of its target. Meanwhile, Vietnam's steel pipe consumption fell by 8%.

Figure 3: SMC's working capital (VND bn)



Source: SMC, RongViet Securities

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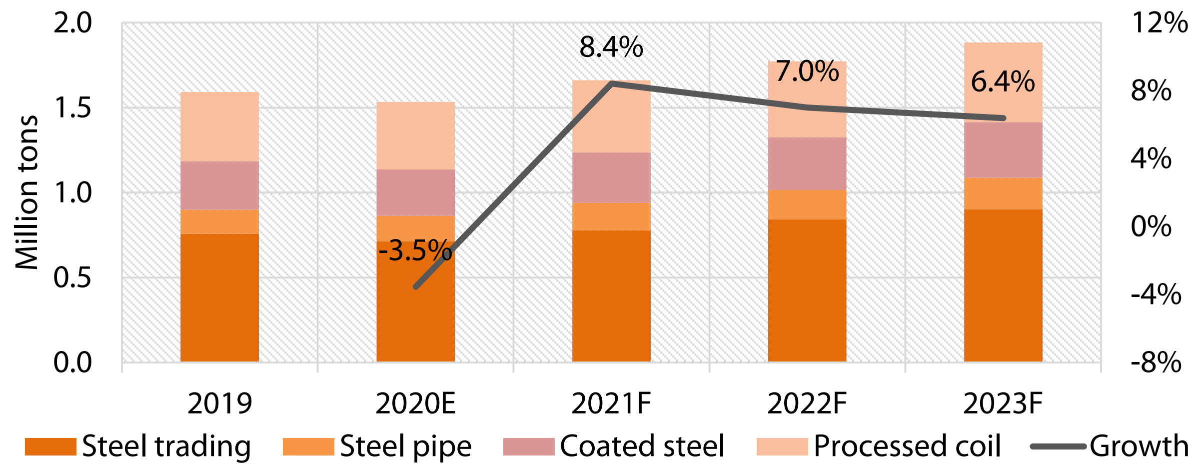
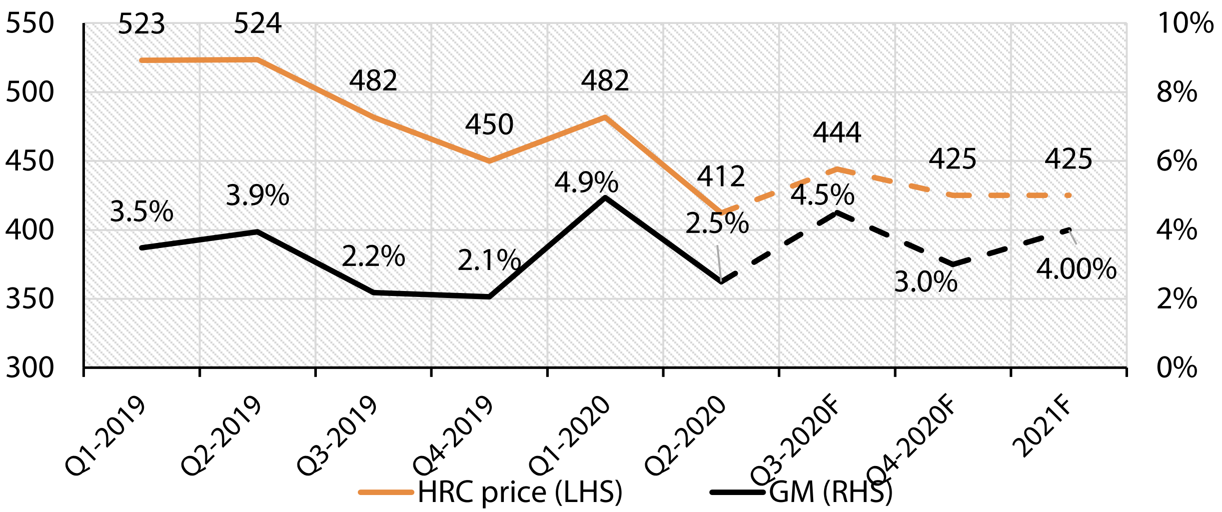
Figure 4: Steel selling volume forecast



Source: SMC, Rong Viet Securities

Figure 5: Gross margin (%) and HRC prices (USD/ton) forecast



Source: SMC, Rong Viet Securities

Rising HRC prices are likely to support SMC's net profit in late-2020.

- After hit the bottom in 2Q2020 due to concerns about COVID-19's impact, HRC is rising steadily thanks to the recovery in production.
- Steel production cost has increased as iron ore prices surged by 22% from USD 87/ton in 1H2020 to USD 106/ton in July.
- Increasing steel prices allows SMC enjoy better gross margin from inventory that bought in low price.

Waiting for favorable opportunities in 2021:

- The shift of manufacturers from overseas to Vietnam can benefit SMC's steel pipe and coil processing segments.
- Disbursement of large public investments in infrastructure is expected to boost the demand for construction steel.

Key forecasts:

- We expect SMC's selling volume to recover by 8.4% in 2021, after decreasing by 3.5% in 2020.
- High domestic demand from industrial construction can support SMC's margin. We forecast its gross margin will increase from 2.9% in 2019 to 3.6% in 2020 and 4.0% in 2021.
- In 2020, revenue is expected to fall by 3.2% to VND 16,300 billion. Net income is forecasted to increase by 19.4% in 2020 due to favorable HRC price movements and 47% in 2021 due to recovery in selling volume and higher margin.

HSG – OVERCAME OBSTACLES

OPPORTUNITIES

HSG has competitive advantages to benefit from high demand for coated steel and steel pipes

- HSG operates over 500 retailers and has production plants nationwide. It is on of the few steel manufacturers that developed its own retail system successfully. HSG is planning to expand the product range of its retail system.
- Having a well-known brand name for coated steel sheets, steel pipes, and plastic pipes, HSG enjoys higher margins because of its pricing power against both consumers and suppliers.
- Owing to its plentiful capacity, HSG can maintain growth and seize opportunities.

The business became more profitable owing to a better financial position

- Total debt decreased steadily, leading to lower interest expenses.
- Maintaining low inventory helps HSG to still be profitable despite lower HRC prices.

RISKS

HSG's profit is highly dependent on HRC prices

- HRC price fluctuations are often fully reflected in HSG's margin without passthrough.

COVID-19 outbreak could have a negative effect on sales

- The fresh outbreak in Da Nang City could harm the demand for steel and slow down the shift of production lines to Vietnam .

N/A N/A

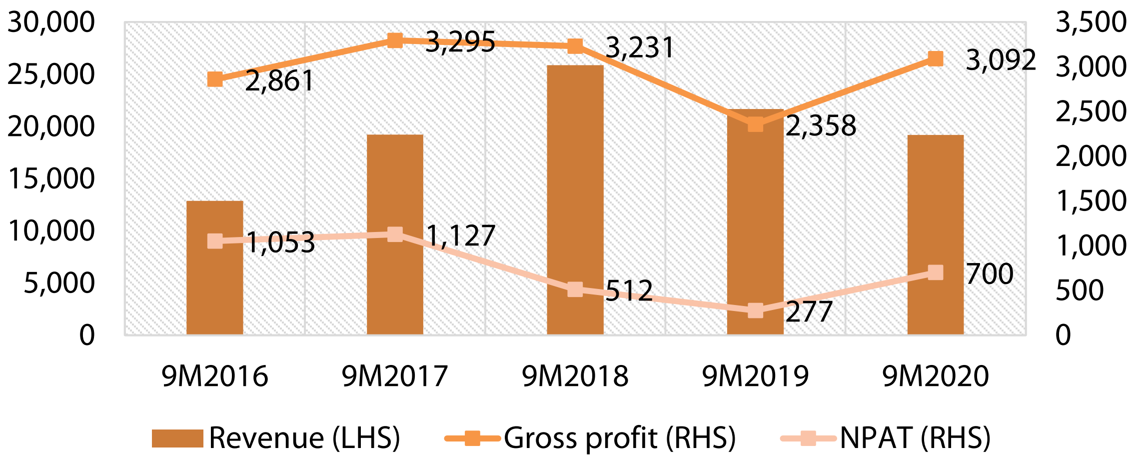
CMP (VND)	**11,200**
Target price (VND)	**N/A**
Cash dividend in 12 months	*0*

STOCK INFO	
Sector	Basic Materials
Market Cap ($ mn)	215
Current Shares O/S (mn shares)	444
3M Avg. Volume (K)	12,184
3M Avg. Trading Value ($ mn)	5.6
Remaining foreign room (%)	38.8
52-week range ('000 VND)	4.2-12.8

FINANCIALS	2016A	2017A	2018A	2019A
Revenue (VND bn)	**17,886**	**26,148**	**34,441**	**27,074**
Growth (%)	*2.5*	*46.2*	*31.7*	*-21.4*
NPATMI (VND bn)	**1,501**	**1,331**	**410**	**490**
Growth (%)	*129.9*	*-11.3*	*-69.2*	*19.4*
ROA (%)	12.2	6.2	1.9	2.9
ROE (%)	36.4	26.1	8.0	8.8
EPS (VND)	5,224	5,224	5,224	5,224
Book Value (VND)	20,996	14,563	13,288	13,170
Cash dividend (VND)	2,500	1,000	0	0
P/E (x) (*)	12.4	8.0	10.5	9.7
P/B (x) (*)	2.1	1.7	0.8	0.9

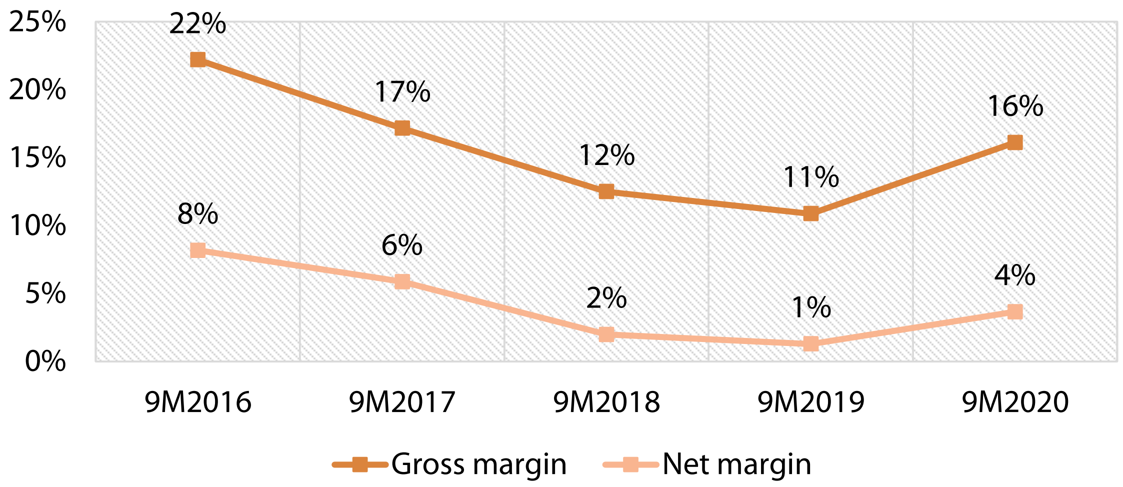
(*) Share price as of Aug 7th, 2020.

Figure 1: Revenue, gross profit and NPAT (VND billion)



Source: HSG, RongViet Securities

Figure 2: Gross and net margins



Source: HSG, Rong Viet Securities

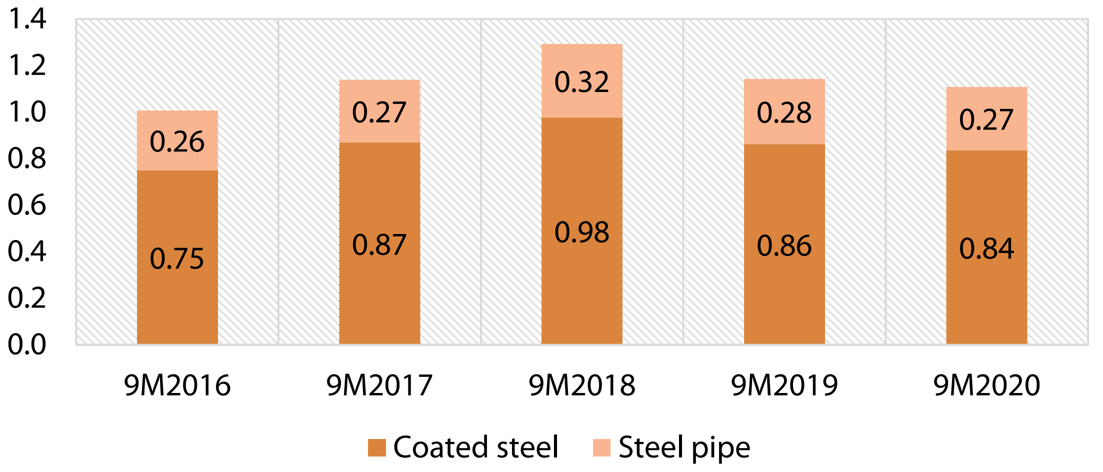
Selling volume was flat

- In 9M/FY19-20, HSG's selling volume decreased by just 3%. In thee steel pipe segment, its market share increased from 15.3% in 2019 to 16.8% in 6M2020. Meanwhile, HSG's market share in the coated steel segment was stable.

Despite the pandemic, NPAT and margins improved

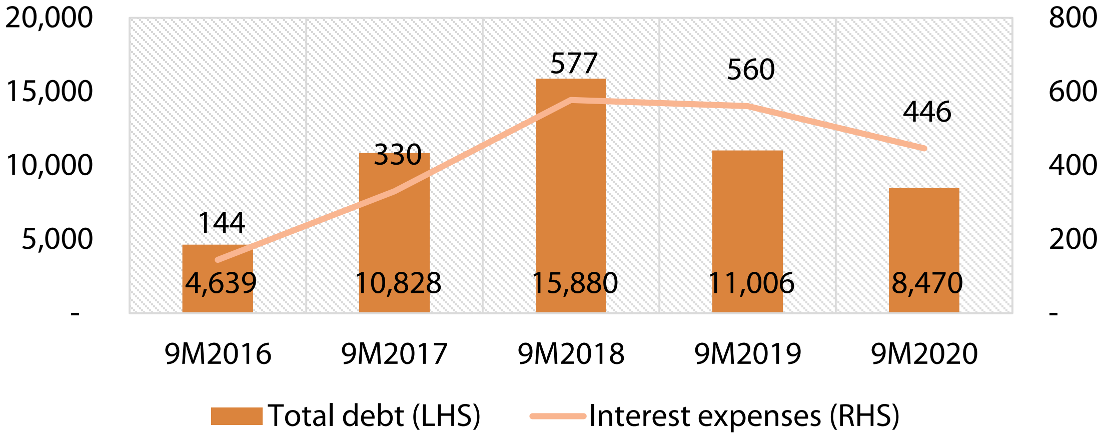
- HSG focused on improving net margin in 9M/FY19-20 and got good results.
- A well-known brand and strong retail system helped maintain a high gross margin of 15.6%, even as HRC prices dropped significantly.
- We expect its net income to increase in 4Q due to surging HRC prices.

Figure 3: Steel selling volume (million tons)



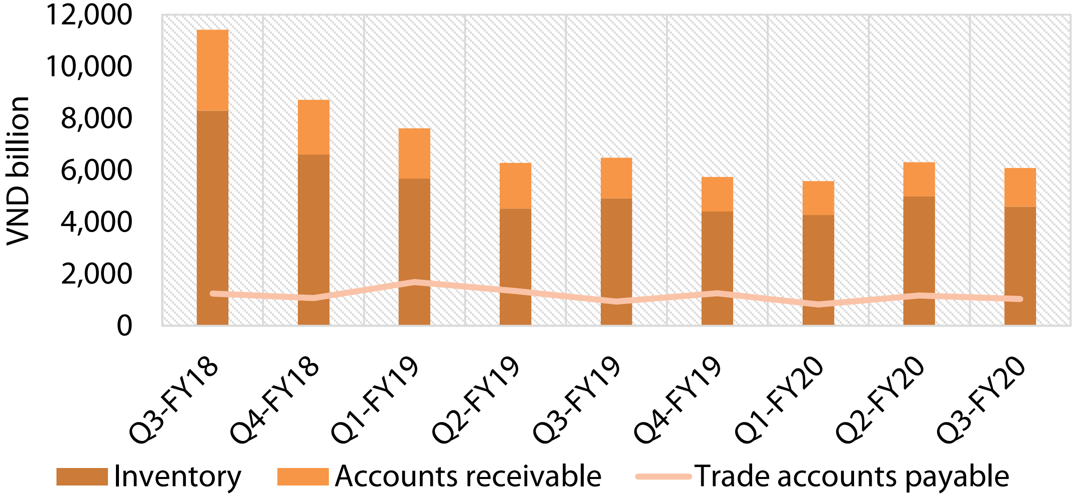
Source: HSG, RongViet Securities

Figure 4: Debt and interest expenses (VND billion) decreased steadily



Source: HSG, Rong Viet Securities

Figure 5: Working capital was stable over the last two years



Source: HSG, Rong Viet Securities

Completed financial restructuring will be the foundation for sustainable growth

- Working capital was well managed over the last two years after using ERP systems and maintaining low inventories. It reduced HSG's exposure to HRC prices and offered a more stable gross margin.
- Low working capital reduced the financial leverage and expenses. Hence, total debt decreased steadily from roughly VND 16,000 billion in 9M/FY-17-18 to just a half, VND 8,500 billion, in 9M/FY19-20.
- Interest expenses have decreased by VND 114 billion, equivalent to 16.3% of net income in 9M/FY19-20.

NKG – MARGIN IMPROVED, BUT SALES WERE WEAK

OPPORTUNITIES

NKG has competitive advantages to benefit from high demand for coated steel and steel pipe

- NKG is the third largest coated steel manufacturer in terms of design capacity. It also produces high-quality products, including thick Zinc coated steel, which is preferred for use in a high erosive environment.
- The shift of production lines to Vietnam, from China, can boost the demand for steel pipe and coil processing services.

New steel pipe factory in Chu Lai can support sales growth

- This factory has capacity of 150,000 tons per year, which allows NKG to seize opportunities as other steel pipe factories are running at full capacity.
- It is also has a coated steel warehouse that helps NKG's products become more competitive in the North and Central markets as it reduces transportation time and cost for customers.

More stable margins due to low inventories

- HRC prices have less impact on profitability as NKG stores its inventory to produce in the next 2 months (from 3.3 months in 2017-2018 period).

RISKS

NKG's profit is highly dependent on HRC prices

- HRC price fluctuations are often reflected in NKG's margin.

COVID-19 outbreak could have a negative impact on NKG's sales.

- The fresh outbreak in Da Nang City could be a threat to the demand for steel and Chu Lai factory's progress in the short-term.

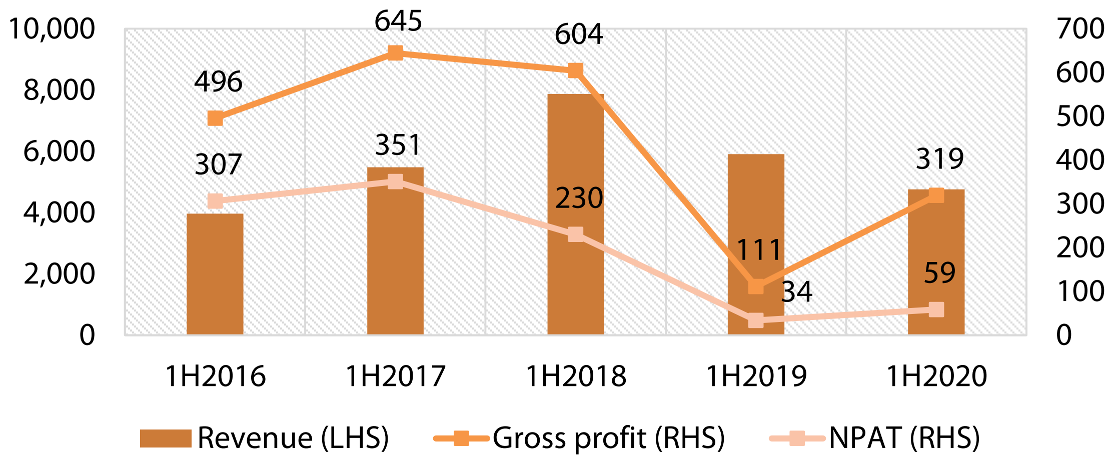
N/A	N/A
CMP (VND)	**6,950**
Target price (VND)	**N/A**
Cash dividend in 12 months	*0*

STOCK INFO	
Sector	Basic Materials
Market Cap ($ mn)	52
Current Shares O/S (mn shares)	172
3M Avg. Volume (K)	2,189
3M Avg. Trading Value ($ mn)	0.7
Remaining foreign room (%)	79.0
52-week range ('000 VND)	4.4-10

FINANCIALS	2016A	2017A	2018A	2019A
Revenue (VND bn)	**8,936**	**12,619**	**14,812**	**12,177**
Growth (%)	*55.4*	*41.2*	*17.4*	*-18.8*
NPATMI (VND bn)	**518**	**708**	**57**	**47**
Growth (%)	*311.7*	*37.6*	*-92.9*	*-17.4*
ROA (%)	8.1	7.0	0.7	0.6
ROE (%)	32.8	24.1	1.9	1.6
EPS (VND)	7,841	5,442	315	260
Book Value (VND)	8,667	16,156	16,325	16,576
Cash dividend (VND)	0	0	0	0
P/E (x) (*)	3.0	2.1	52.9	26.7
P/B (x) (*)	1.0	1.0	1.4	0.4

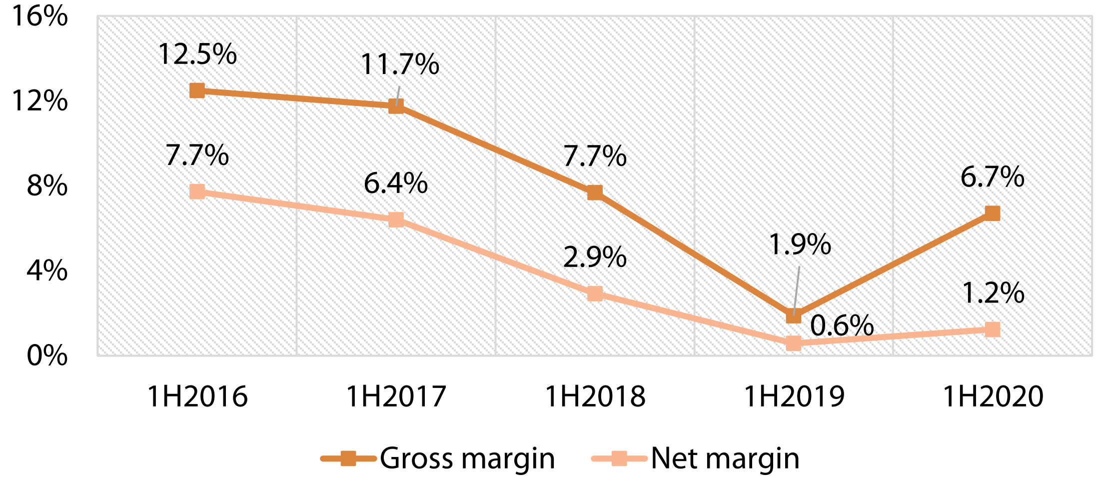
(*) Share price as of Aug 7th, 2020.

Figure 1: Revenue, gross profit and NPAT (VND billion)



Source: NKG, Rong Viet Securities

Figure 2: Gross and net margins



Source: NKG, Rong Viet Securities

The gross margin improved despite HRC prices' wide fluctuations

- Despite HRC prices' movement, NKG's gross margin increased significantly 1.9% in 1H2019 to 6.7% in 1H2020.
- Due to low inventory, NKG was not exposed significantly to HRC prices and it avoided a large loss in 2Q. In addition, the strong demand for coated steel supported its margin.

Net income was affected strongly by HRC prices and foreign exchange rate

- HRC prices changed significantly during 1H, as it reached USD 480/ton in 1Q2020, then hit a bottom at USD 390/ton in April.
- NKG's net income was VND 47 billion in 1Q2020, and then decreased to VND 17 billion in 2Q2020.
- As HRC prices are surging, we expect NKG's net income will increase in 3Q. HRC prices' movements are hard to predict as the downstream demand is still weak, while increasing iron prices lead to higher production costs.

Selling volume and market share decreased

- In 1H2020, NKG sold 296 thousand tons of products, decreasing by 11% YoY. NKG's market share decreased slightly from 11.1% in 1H2019 to 10.3% in 1H2020.
- NKG was a bit underperformed the industry, especially in domestic market as its selling volume -14%YoY.Meanwhile, export was outperformed fell by just 4%.
- Despite its better sales in July, NKG's selling volume could be flat or lower in 2H due to the fresh COVID-19 outbreak.

The company's financial position was stable as the current ratio and total debt/equity ratio were flat at 1.1 and 1.2, respectively.

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