



Hoa Phat Group (HPG VN)

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30 March 2023

2023 AGM update

On the morning of March 30, Hoa Phat Group JSC (stock code: HPG) held the 2023 Annual General Meeting of Shareholders with some key highlights as follows:

- **Dividend payment plan:** no dividend due to significant capital demand in 2023. Total investment in fixed assets of phase 2 for Dung Quat project has reached about 75,000 billion VND (more than USD 3 billion).
- **Business plan 2023 and long term:** Continue to invest in the Hoa Phat Dung Quat 2 Iron and Steel Production Complex Project construction. Completed and put into trial operation for the Container Factory project. **Business plan 2023:** revenue VND 150,000 billion, profit after tax VND 8,000 billion, down 5%yoy. It is expected that by the end of 2024-early 2025, Dung Quat factory will come into operation and generate additional revenue of VND80,000-100,000 billion for HPG.
- **Long-term orientation:** HPG will shift firmly to manufacturing high-quality steel and fabricated steel (for shipbuilding, automobile, screws, and pre-tensioners), leaving the playing field of plain steel, such as construction steel, to other firms.
- **Update on the business condition in the first quarter of 2023:** Company leaders said that HPG suffered losses in the first two months of the year, while March operating results improved. In January, HPG reopened one of the four blast furnaces closed since 2022 to reduce output due to the challenging business situation. In the second quarter, HPG will rerun the remaining 3 blast furnaces.

Rating:

N/A

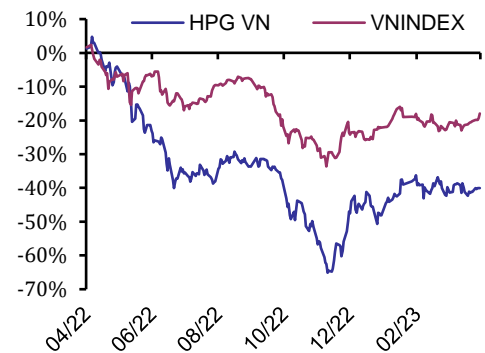
N/A

6-18m TP:

Share price:

VND20,800

Stock performance



Change in Share Price	1 M	3 M	1 Y
Abs. %	0.0%	15.6%	-40.8%
Rel. % to VNI index	-2.5%	12.3%	-7.2%
Avg. share price (VND)	20,715	20,701	22,370

Source: Bloomberg, Guotai Junan Vietnam

Year End	Revenue	Net Profit	EPS	EPS	PER	BPS	PBR	DPS	Yield	ROE
12/31	(VND bil)	(VND bil)	(VND)	(Δ%)	(x)	(VND)	(x)	(VND)	(%)	(%)
2018A	56,580	8,601	3,908	-26%	7.7	6,694	1.6	0	0%	23.6%
2019A	64,678	7,578	2,622	-33%	8.6	8,190	1.4	0	0%	17.1%
2020A	91,279	13,506	3,936	50%	10.8	10,158	2.3	500	0%	23.9%
2021A	150,865	34,521	7,477	90%	6.5	15,585	2.3	500	7%	42.8%
2022A	142,771	8,444	1,459	-80%	12.3	16,511	1.1	500	34%	9.1%

Shares in issue (m)	5,814	Major shareholder	Tran Dinh Long	26.08%
Market cap. (VNĐ m)	120,947,540	Free float (%)		55.0
3-month average vol. ('000)	24,141.8	FY22 Net gearing (%)		77.0
52 Weeks high/low (VNĐ)	36,200 / 11,800			

Source : the Company, Guotai Junan Vietnam.

COMPANY RATING DEFINITION

Benchmark: VN – Index.

Time Horizon: 6 to 18 months

Rating	Definition
Buy	Relative Performance is greater than 15% Or the Fundamental outlook of the company or sector is favorable
Accumulate	Relative Performance is 5% to 15% Or the Fundamental outlook of the company or sector is favorable
Neutral	Relative Performance is -5% to 5% Or the Fundamental outlook of the company or sector is neutral
Reduce	Relative Performance is -15% to -5% Or the Fundamental outlook of the company or sector is unfavorable
Sell	Relative Performance is lower than - 15% Or the Fundamental outlook of the company or sector is unfavorable

SECTOR RATING DEFINITION

Benchmark: VN – Index

Time Horizon: 6 to 18 months

Rating	Definition
Outperform	Relative Performance is greater than 5% Or the Fundamental outlook of the sector is favorable
Neutral	Relative Performance is -5% to 5% Or the Fundamental outlook of the sector is neutral
Underperform	Relative Performance is lower than -5% OrThe Fundamental outlook of the sector is unfavorable

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