Company Report: HOA PHAT GROUP (HSX: HPG)

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Flash note: Annual general meeting 2026

On April 21, 2026, Hoa Phat Group (HPG) held its Annual General Meeting with nearly 1,000 shareholders in attendance.

KEY HIGHLIGHTS

- At the meeting, Chairman Tran Dinh Long announced the Q1 2026 results, highlighting strong growth in HRC sales volume (driven by increased capacity following the commissioning of Dung Quat 2). Management also expressed a positive outlook, supported by continued acceleration in public investment this year.
- Export performance remained resilient despite Vietnamese steel products facing a 50% tariff in the U.S. However, the Group continues to prioritize the domestic market over exports.
- Other business segments, including agriculture and household appliances, continued to be expanded and delivered solid performance.
- Regarding the 2025 profit distribution plan, the Group proposed a total dividend payout of 15%, comprising 10% in stock and 5% in cash.

ASSESSMENT

HPG is currently in a recovery phase of the steel cycle, with trade protection policies and strong public investment driving its growth outlook. The HRC segment plays a core role, while expansion projects such as Dung Quat and Phu Yen are expected to strengthen the Group's long-term position.

Stock information

Market capital (VND b)	219,135
Shares in issue (m)	7,675
Current price	28,550
52w high/low (VND)	30,350/ 21,165
1 month average vol.	38,994,134
Top shareholders	
Trần Đình Long	25.8%
Vũ Thị Hiền	6.88%
Foreign own	23.77%
Free float	55%
Dividend	0.00%

Price performance 1Y

Source: Bloomberg, GTJAS VN Research

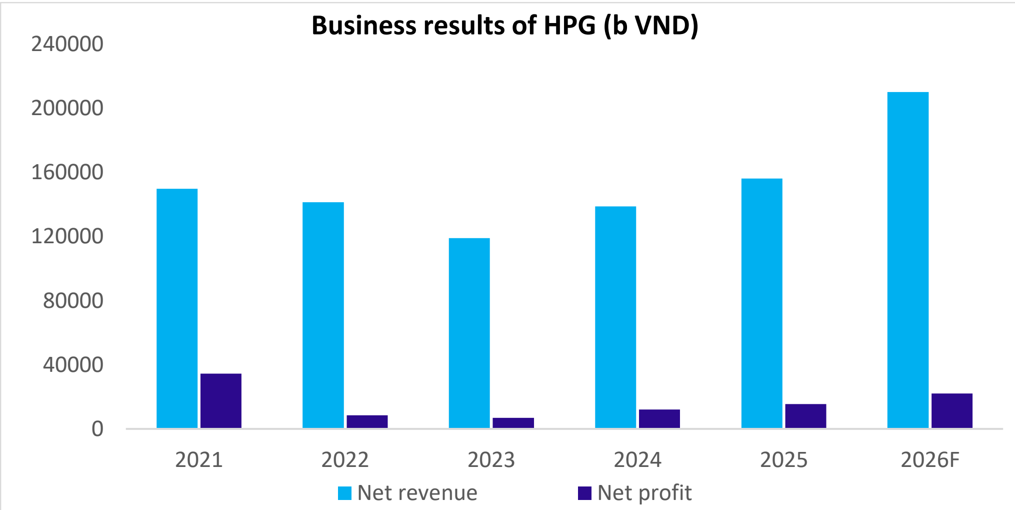
DETAILED REPORT

1. Update on Q1 2026 results and FY2026 business plan

	2025	yoy	Q1 2026	yoy
Net Revenue (VND bn)	158,332	*+13%*	53,300	*+40%*
Net Profit (VND bn)	15,515	*+29%*	9,000	*+170%*
Total steel sales volume	10 mn tons	*+25%*	6.3 mn tons	*+25%*
HRC sales volume		*+70%*	1.4 mn tons	*+48%*

Q1 2026 net profit exceeded VND 9,000 billion, marking strong growth. Of this, core operations contributed approximately VND 5,200 billion, while the remaining VND 3,800 billion came from the transfer of the Pho Noi project (Hung Yen) to a partner.

In 2026, Hoa Phat Group targets revenue of VND 210,000 billion and net profit of VND 22,000 billion, representing increases of 33% and 42% YoY, respectively. This ambitious target is supported by large-scale public investment disbursement, with an estimated VND 3.8 quadrillion planned for the 2026–2030 period, creating a favorable outlook for the steel sector. In addition, anti-dumping measures and the optimization of capacity at Dung Quat 2 are expected to be key growth drivers for the company this year.



Source: HPG, GTJA Research

2. Steel production and sales performance

Steel sales volume reached a record 10 million tons in 2025, up 25% YoY. Hoa Phat Group maintained its leading market share in construction steel (37.6%) and steel pipes (31.2%).

In Q1 2026, crude steel output increased by 25% YoY to 3.3 million tons, while finished steel reached 3.0 million tons (+25% YoY). High-quality steel totaled 1.4 million tons (+20% YoY), and HRC volume surged to 1.4 million tons (+48% YoY). According to CEO Nguyen Viet Thang, the strong growth in HRC consumption was driven by Vietnam's anti-dumping tariffs on HRC imports from China, ranging from 23.1% to 27.8%.

Since the beginning of the year, HRC prices have risen by approximately 8%, though they remain below global levels. As a result, exports continue to deliver attractive margins despite higher freight costs due to rising fuel prices. In addition, geopolitical tensions have significantly reduced slab exports from Iran, creating opportunities for alternative suppliers such as Vietnam.

However, the Group maintains its strategy of prioritizing the domestic market, keeping exports below 20% while diversifying into markets beyond the U.S. and EU. In Q1, exports accounted for 17% of total sales, reaching 30–40 markets globally.

Looking ahead, HRC consumption is expected to increase further as imported inventory from late last year has been largely absorbed, April inventories show signs of decline, and underlying demand is set to recover. On the cost side, the Group is actively seeking to secure raw material sources, including iron ore mines such as Thach Khe and Quy Xa, to improve input supply stability.

Key ongoing steel projects:

- ***The rail and special steel plant,*** with a capacity of 700,000 tons per year, has reached 35% completion after three months of construction and is expected to deliver its first products in Q2 2027. This project is part of Hoa Phat Group's strategy to participate in large-scale infrastructure projects, including the Hanoi–Quang Ninh high-speed railway (launched on April 12, 2026, with a total length of 120 km).
- ***The Phu Yen steel project is being actively developed***. This is a large-scale project with total investment of approximately USD 3.5–4.0 billion, though it still requires completion of legal procedures and site clearance. Construction has commenced, with a designed capacity of 6 million tons per year, including 50% HRC and 50% engineering steel. The project is expected to become operational by 2030.

3. Other business segments

Hoa Phat Group's subsidiary, Hoa Phat Agriculture JSC (ticker: HPA), in which the Group holds a 94.9% stake, held its Annual General Meeting. The agriculture segment contributed 3.8% of total revenue in Q1. The company currently ranks No.1 in Australian beef market share in Vietnam, leads the northern clean chicken segment, and is among the top 10 in sow herd size and top 13 in animal feed production nationwide. In 2025, Hoa Phat Agriculture recorded revenue of VND 8,326 billion, up 18% YoY and exceeding its plan by 4%.

In real estate, the Group is preparing to launch new industrial parks, including Ly Thuong Kiet and Hoang Dieu. Chairman Tran Dinh Long also highlighted the potential of the Red River landscape boulevard project, drawing parallels with the successful development along the Han River in Da Nang. However, this project remains at an early stage and its effectiveness is yet to be evaluated.

For the household appliances segment, the Group is developing a new refrigerator plant at Phu My Industrial Park and a PCB (printed circuit board) manufacturing facility at Hoa Mac Industrial Park. These investments signal a strategic shift toward core component manufacturing, which is essential for most electrical and refrigeration products, from refrigerators and air conditioners to industrial equipment. This move is expected to reduce reliance on imports while enabling deeper participation in the electronics supply chain.

4. Profit distribution plan

Regarding the 2025 profit distribution plan, Hoa Phat Group proposed a total dividend payout of 15%, including 10% in stock and 5% in cash.

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

DISCLAIMER

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