

Hoa Phat Group (HPG)

Entering a new cycle

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HPG has done 51% of profit plan after 1H25

We raised the forecast for construction steel and HRC sales output to 30%/25%/9% in 2025/2026/2027

Steel prices should grow 4%/5% in 2026/2027

Valuation: BUY recommendation – Target price VND35,300/share

Buy maintain

Target price VND35,300

| | |
|------------------------------|-----------|
| Upside | 16% |
| Current price (Sep 12, 2025) | VND30,300 |
| Consensus target price | VND32,100 |
| Market cap (VNDtn/USDbn) | 233.3/8.8 |

Forecast earnings & valuation

| FY-end | 2023A | 2024A | 2025F | 2026F |
|-------------------------------|---------|---------|---------|---------|
| Net revenue (VNDbn) | 118,953 | 138,855 | 164,749 | 206,974 |
| Operating income/loss (VNDbn) | 7,651 | 13,267 | 19,917 | 27,562 |
| NPAT-MI (VNDbn) | 6,835 | 12,020 | 17,378 | 24,254 |
| EPS (VND) | 1,175 | 1,879 | 2,264 | 3,160 |
| EPS growth (%) | -19 | 60 | 20 | 40 |
| P/E (x) | 23.8 | 14.2 | 13.4 | 9.6 |
| P/B (x) | 1.6 | 1.5 | 1.8 | 1.5 |
| ROE (%) | 6.9 | 11.1 | 14.1 | 16.8 |
| Dividend yield (%) | 0 | 0 | 0 | 0 |

Hoa Phat Group (HPG) reported 2Q NPAT of VND4,256 billion (+28% YoY) with GPM increasing 508bps YoY thanks to a 18%/38% YoY drop in iron ore and coke prices.

We believe that steel demand will be encouraged by healthy macroeconomic factors like the recovery of the real estate market and the focus on public investment sector in the medium term. Furthermore, blast furnace No. 02 at Dung Quat 2 should start functioning in 4Q25 (earlier than the base case planned by the management early this year), which will help increase HRC's revenue contribution to the steel segment in the coming time.

The campaign against excessive price competition has eased the sentiment of steel producers in China, reflected in improved HRC and iron ore prices by 7%/12% since the beginning of 3Q. We expect steel prices to begin a new growth cycle, although the speed will be low due to Chinese stagnant land market. KBSV projects the ASP of HPG steel will rise 4%/5% YoY in 2026/2027, with estimated GPMs of 16.6%/17.0%/16.9% in 2025/2026/2027.

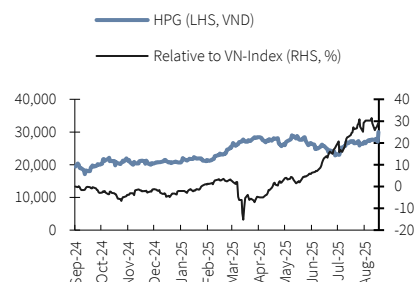
We estimate net profit growth of HPG in the 2025–2027 period at 18%/year. HPG's valuation is still in an attractive range with 2026 forward PBR reaching 1.7x (corresponding to the 10-year mean). Therefore, we reiterate our BUY recommendation on HPG with a fair value of VND35,300/share (17% higher than 1Q25 valuation after considering the impact of paying stock dividends at a rate of 20%).

Trading data

| | |
|------------------------------------|---------------------------------|
| Free float | 59% |
| 3M avg trading value (VNDbn/USDmn) | 1,790.4/68.2 |
| Foreign ownership | 27.5% |
| Major shareholder | Chairman Tran Dinh Long (34.9%) |

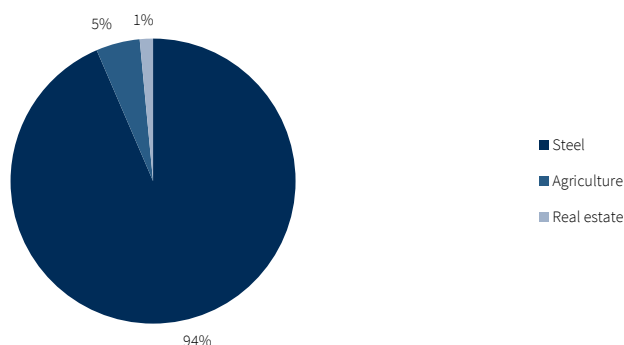
Share price performance

| (%) | 1M | 3M | 6M | 12M |
|-----------------|----|----|----|-----|
| Absolute | 6 | 34 | 30 | 43 |
| Relative | 5 | 8 | 4 | 11 |



Source: Bloomberg, KB Securities Vietnam

Revenue composition (2024)



Source: Hoa Phat Group, KB Securities Vietnam

Business operation

Hoa Phat Group (HPG) is a conglomerate that majors in steel production. It holds the dominant market share in the domestic construction steel and steel pipe market. HPG is also one of only two companies in Vietnam capable of producing HRC, with a production capacity estimated at 8.6 million tons in 2026

Investment Catalysts

Estimated total construction steel and HRC consumption increases by 30%/25%/9% YoY in 2025/2026/2026 as (1) favorable macro environment triggers demand recovery; and (2) HRC capacity will increase thanks to Dung Quat 2, supported by anti-dumping measures on imported HRC.

Steel ASP should go down 3% YoY in 2025 but gain 4%/5% in 2026/2027, resulting in GPM reaching 16.6%/17% respectively.

Notes

Please see more details below

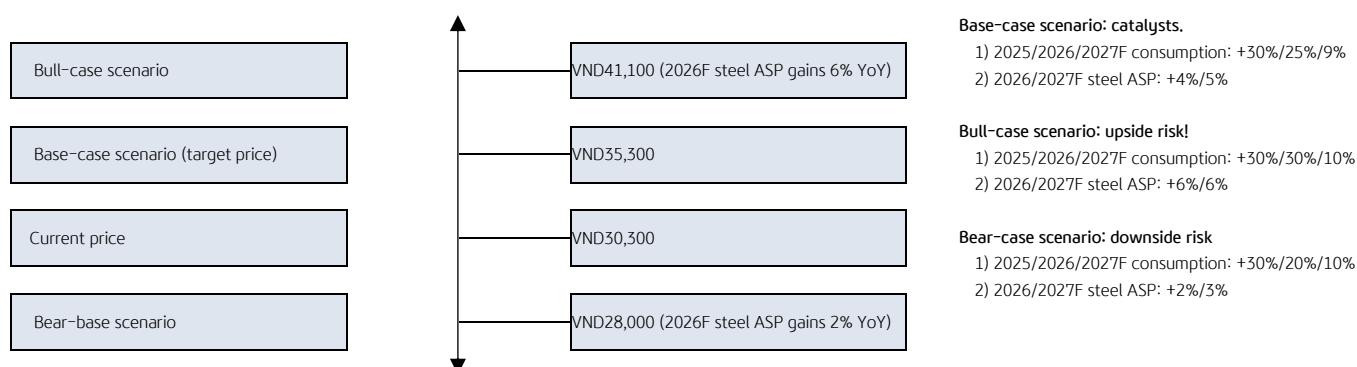
Please see more details below

Revised earnings estimates

| (VNDbn) | KBSV estimates | | Change vs previous estimates | | Consensus* | | Difference | |
|-------------|----------------|---------|------------------------------|-------|------------|---------|------------|-------|
| | 2025E | 2026E | 2025E | 2026E | 2025E | 2026E | 2025E | 2026E |
| Revenue | 164,749 | 206,974 | -3% | 1% | 164,613 | 206,032 | 0% | 0% |
| EBIT | 22,319 | 28,804 | 7% | 7% | 21,270 | 27,574 | 5% | 4% |
| NP after MI | 17,378 | 24,254 | 5% | 9% | 16,349 | 21,694 | 6% | 12% |

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



Business performance

Table 1. HPG – 1H25 business performance

| (VNDbn, %) | 2Q24 | 2Q25 | +/-%YoY | 1H24 | 1H25 | +/-%YoY | Notes |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---|
| Revenue | 39,556 | 35,911 | -9% | 70,408 | 73,532 | 4% | |
| Steel | 37,879 | 33,531 | -11% | 66,516 | 68,964 | 4% | Steel ASP dropped 5% YoY in 2Q. 1H25 revenue does not include HRC sales from blast furnace 01 at Dung Quat 2 Complex. |
| Agriculture | 1,542 | 2,240 | 45% | 3,059 | 4,227 | 38% | |
| Real estate | 134 | 139 | 4% | 833 | 342 | -59% | |
| Gross profit | 5,247 | 6,590 | 26% | 9,401 | 12,014 | 28% | |
| <i>Gross profit margin</i> | <i>13.3%</i> | <i>18.4%</i> | <i>508bps</i> | <i>13.4%</i> | <i>16.3%</i> | <i>299bps</i> | 2Q25 iron ore and coke prices decreased by 18%/38% YoY, respectively. |
| Financial income | 645 | 498 | -23% | 1,397 | 936 | -33% | |
| Financial expenses | -1,065 | -979 | -8% | -2,126 | -1,950 | -8% | HPG recorded VND490 billion in foreign exchange loss in 1H25 (+105% YoY). |
| Profits from affiliates | 0 | 0 | | 0 | 0 | | |
| SG&A | -1,136 | -1,148 | 1% | -2,094 | -2,233 | 7% | |
| Operating income/loss | 3,692 | 4,961 | 34% | 7,651 | 13,267 | 73% | |
| Other income | 42 | 12 | -72% | 415 | 45 | -89% | |
| Profit before taxes (PBT) | 3,733 | 4,972 | 33% | 6,994 | 8,812 | 26% | |
| Net profit after taxes (NPAT) | 3,320 | 4,265 | 28% | 6,189 | 7,614 | 23% | |
| NP after MI | 3,319 | 4,256 | 28% | 6,190 | 7,601 | 23% | 51% of the annual plan has been completed. |
| <i>NPAT margin</i> | <i>8.4%</i> | <i>11.9%</i> | <i>346bps</i> | <i>8.8%</i> | <i>10.3%</i> | <i>155bps</i> | |

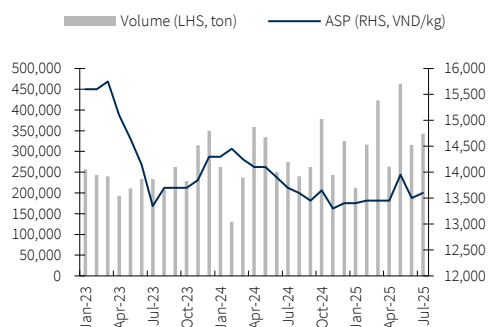
Source: Hoa Phat Group, KB Securities Vietnam

Table 2. HPG – Sales volume by product (tons)

| (ton) | 2Q24 | 2Q25 | +/-%YoY | 1H24 | 1H25 | +/-%YoY | Notes |
|--------------------|------------------|------------------|------------|------------------|------------------|------------|---|
| Construction steel | 1,271,321 | 1,156,608 | -9% | 2,227,735 | 2,348,337 | 5% | Domestic consumption went up 27% YoY in 1H25. |
| HRC | 724,019 | 1,174,195 | 62% | 1,529,575 | 2,168,133 | 42% | Domestic consumption spiked 84% YoY in 1H25. |
| Galvanized sheet | 124,126 | 110,754 | -11% | 222,089 | 199,826 | -10% | |
| Steel billet | 187,692 | 216,672 | 15% | 317,374 | 402,349 | 27% | |
| Total | 2,307,158 | 2,658,229 | 15% | 4,296,773 | 5,118,645 | 19% | |

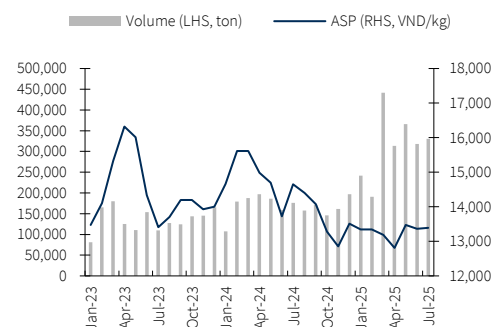
Source: Vietnam Steel Association, FiiProX, KB Securities Vietnam

Fig 3. HPG – Construction steel sales output & ASP (ton, VND/kg)



Source: Vietnam Steel Association, FiiProX, KB Securities Vietnam

Fig 4. HPG – HRC sales output & ASP (ton, VND/kg)



Source: Vietnam Steel Association, FiiProX, KB Securities Vietnam

Positive macroeconomic factors stimulate steel consumption in the medium term

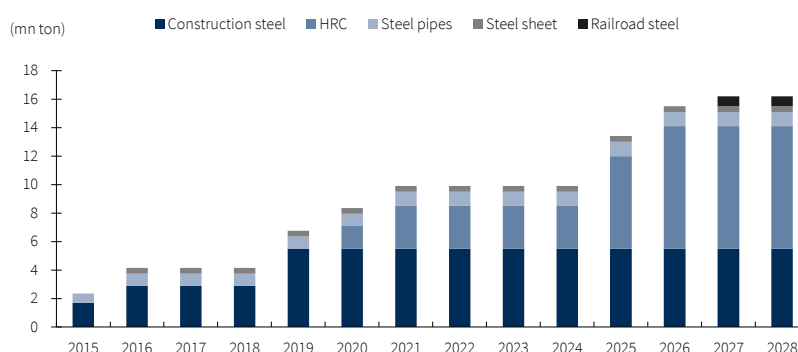
We maintain our view that steel consumption demand in the 2025–2027 period will be boosted by (1) the real estate market returning to growth and (2) public investment disbursement continuing to be the driving force for economic growth (See also the [1Q25 update report](#)).

HRC will gradually replace construction steel and become the new growth driver of HPG from 2026

HPG and Formosa Ha Tinh Steel (FHS) are preparing to propose anti-dumping measures on large-sized HRC imported from China after the import volume of this product showed signs of a sudden increase from May 2025. With AD20 officially applied, we expect the above proposal to be approved soon, maintaining the competitiveness of domestically produced HRC. In addition, according to information from HPG, blast furnace No. 02 of Dung Quat 2 has accelerated the construction and installation progress for operation from 4Q25. KBSV raised the forecast for HPG's construction steel and HRC consumption output to 9.6/12.0/13.1 million tons in 2025/2026/2027, up 30%/25%/9% YoY respectively. Of that, HRC sales may touch 4.7/6.9/8.0 million tons (+61%/46%/16% YoY), 3% higher than the target set by the BoD at the beginning of the year.

Dung Quat 2 Iron and Steel Complex has two blast furnaces. Its main products are HRC and high quality steel with a total capacity of 4.6 million tons/year. According to the orientation of the management, 70% of output HRC will serve domestic market, and the remaining 30% will be exported.

Fig 5. HPG – Production capacity (million tons)



Source: Hoa Phat Group, KB Securities Vietnam

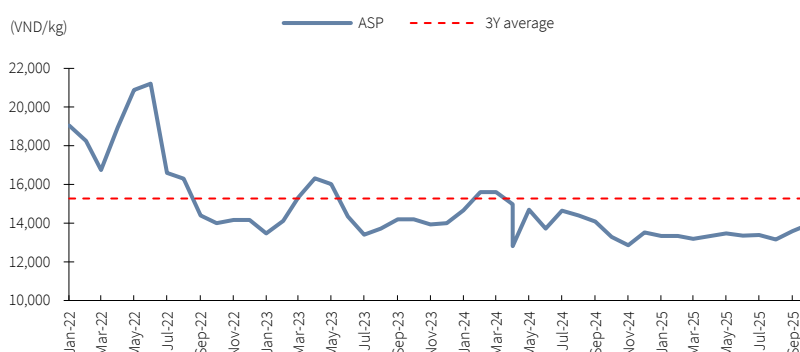
Steel prices are poised for a new growth cycle but it will take time to materialize

The strong criticism from Chinese policymakers against aggressive price-cutting among businesses has encouraged steel manufactures and indirectly helped HRC and iron ore prices in this country to go up 7%/12% respectively since the beginning of 3Q25. The campaign against excessive price war (1) aims to require cutting crude steel production and blast furnaces using old technology and limit emission to promote green production technologies. In addition, (2) the Chinese government also aims to control price competition among producers, strictly manage high-performance producers but loss-making business results. With the new momentum, we expect the Chinese government's plan to cut 50 million tons of crude steel (equivalent to 4% of 2024 production output) to have significant improvements in the coming time. This will have a positive impact on the steel industry's profit margin in the medium term.

We expect this to be a turning point for steel prices to steer towards a new price increase cycle. However, in the base case, we believe that the growth rate of steel prices will be relatively slow due to the progress of steel production cuts and the lack of recovery signs from real estate in China. KBSV changed the forecast for HPG's gross profit margin to 16.6%/17.0%/16.9% in 2025/2026/2027, expecting steel prices to gain 4%/5% YoY in 2026/2027.

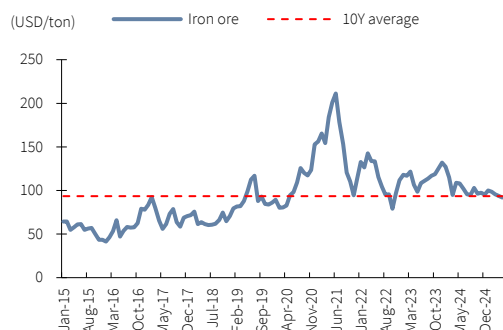
Fig 6. HPG – HRC ASP (VND/kg)

In August – September 2025, HPG raised HRC futures prices by VND430/350/kg (+3.3%/2.6% MoM), reflecting expectations on better consumption demand in the coming time. According to KBSV statistics, HPG's HRC price is currently 9% lower than its five-year average, showing that the recent price increase is still in the early stages of a new growth cycle.



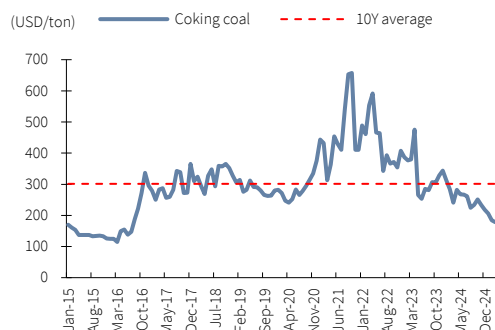
Source: Hoa Phat Group, KB Securities Vietnam

Fig 7. China – Iron ore prices (USD/ton)



Source: Bloomberg, KB Securities Vietnam

Fig 8. China – Coking coal prices (USD/ton)



Source: Bloomberg, KB Securities Vietnam

Forecast & valuation

Table 9. HPG – 2025–2026F business results

| (VNDbn, %) | 2024 | 2025 | +/-%YoY | 2026 | +/-%YoY | Assumptions |
|----------------------------|----------------|----------------|---------------|----------------|---------------|---|
| Revenue | 138,855 | 164,749 | 19% | 206,974 | 26% | Total consumption of construction steel/HRC will grow 30%/25% in 2025/2026. |
| Gross profit | 18,498 | 27,426 | 48% | 35,220 | 28% | |
| <i>Gross profit margin</i> | <i>13.3%</i> | <i>16.6%</i> | <i>333bps</i> | <i>17.0%</i> | <i>37bps</i> | Lower input costs help GPM rise 333bps in 2025. Steel ASP should grow 4% YoY in 2026. |
| Interest income | 1,206 | 1,261 | 5% | 1,952 | 55% | |
| Interest expenses | -2,287 | -2,685 | 17% | -3,193 | 19% | Interest expenses increase in 2025/2026 as HPG no longer capitalize costs from Dung Quat 2. |
| Foreign exchange gain/loss | -303 | -890 | 193% | 0 | -100% | |
| Profits from affiliates | 0 | 0 | | 0 | | |
| SG&A | -3,883 | -5,107 | 32% | -6,416 | 26% | SG&A increases due to Dung Quat 2 coming into operation. |
| Operating income/loss | 13,267 | 19,917 | 50% | 27,562 | 38% | |
| Other income | 426 | 45 | -89% | 0 | | |
| PBT | 13,693 | 19,962 | 46% | 27,562 | 38% | |
| NPAT | 12,020 | 17,378 | 45% | 24,254 | 40% | |
| NP after MI | 12,020 | 17,378 | 45% | 24,254 | 40% | |
| <i>NPAT margin</i> | <i>8.7%</i> | <i>10.5%</i> | <i>189bps</i> | <i>11.7%</i> | <i>117bps</i> | |

Source: Hoa Phat Group, KB Securities Vietnam

**We keep our BUY recommendation
with a price target of VND35,300**

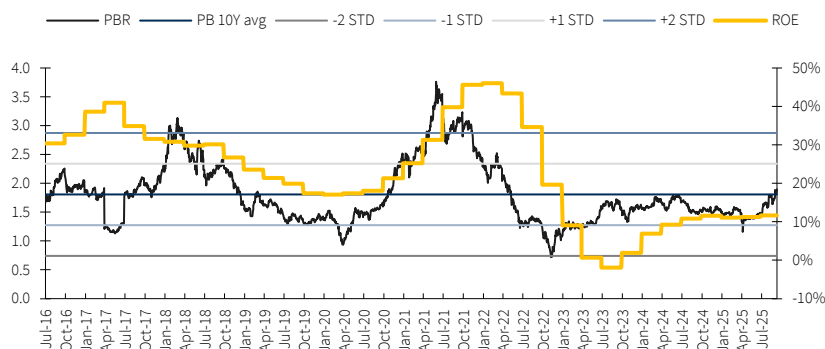
HPG's stock price has advanced 34% in the past three months, partly reflecting the solid growth potential thanks to (1) additional HRC capacity from Dung Quat 2 and (2) the recovery of HRC prices since August 2025. We estimate HPG's net profit growth in the period 2025 – 2027 at 18%/year. HPG is currently trading at PBR trailing of 1.9x, corresponding to 2026 forward PBR of 1.7x (~10-year historical mean). KBSV reiterates its BUY rating on HPG and determines the fair value of HPG at VND35,300/share (increasing 17% from the previous target price, adjusted according to stock dividend payout at a rate of 20%). We use 2026 EBITDA and EPS to determine HPG's fair value and use target EV/EBITDA and PER multiples of 8x/12x respectively (down from 9x/12x in the previous report as the recent rally in stock price has partly reflected HPG's growth potential).

Table 10. HPG – Valuation results

| Valuation method | Target multiple | Derived price | Weighting | Weighted price |
|------------------------|-----------------|---------------|-----------|----------------|
| EV/EBITDA | 8 | 32,700 | 50% | 16,350 |
| P/E | 12 | 37,900 | 50% | 18,950 |
| Target price | | | | 35,300 |
| 2026 forward P/E | | | | 11.2x |
| 2026 forward P/B | | | | 1.7x |
| 2026 forward EV/EBITDA | | | | 6.8x |

Source: KB Securities Vietnam

Fig 11. HPG – PBR and ROE in the past 10 years (x, %)



Source: Bloomberg, KB Securities Vietnam

HPG – 2023A–2026F summarized financials & forecasts

| Income Statement (VND billion) (Standard report) | 2022 | 2023 | 2024F | 2025F |
|--|----------|----------|----------|----------|
| Net sales | 118,953 | 138,855 | 164,749 | 206,974 |
| Cost of sales | -106,015 | -120,358 | -137,323 | -171,754 |
| Gross Profit | 12,938 | 18,498 | 27,426 | 35,220 |
| Financial income | 3,173 | 2,619 | 1,173 | 1,952 |
| Financial expenses | -5,192 | -3,967 | -3,575 | -3,193 |
| of which: interest expenses | -3,585 | -2,287 | -2,685 | -3,193 |
| Gain/(loss) from joint ventures (from 2015) | 0 | 0 | 0 | 0 |
| Selling expenses | -1,961 | -2,337 | -3,074 | -3,862 |
| General and admin expenses | -1,307 | -1,546 | -2,033 | -2,554 |
| Operating profit/(loss) | 7,651 | 13,267 | 19,917 | 27,562 |
| Other incomes | 772 | 1,160 | 45 | 0 |
| Other expenses | -630 | -733 | 45 | 0 |
| Net other income/(expenses) | 142 | 426 | 45 | 0 |
| Income from investments in other entities | 0 | 0 | 0 | 0 |
| Net accounting profit/(loss) before tax | 7,793 | 13,693 | 19,962 | 27,562 |
| Corporate income tax expenses | -992 | -1,673 | -2,584 | -3,307 |
| Net profit/(loss) after tax | 6,800 | 12,020 | 17,378 | 24,254 |
| Minority interests | -35 | 0 | 0 | 0 |
| Attributable to parent company | 6,835 | 12,020 | 17,378 | 24,254 |

| Margin ratio | 2022 | 2023 | 2024F | 2025F |
|-------------------------|------|------|-------|-------|
| Gross profit margin | 11% | 13% | 17% | 17% |
| EBITDA margin | 12% | 15% | 19% | 19% |
| EBIT margin | 7% | 10% | 13% | 13% |
| Pre-tax profit margin | 7% | 10% | 12% | 13% |
| Operating profit margin | 6% | 10% | 12% | 13% |
| Net profit margin | 6% | 9% | 11% | 12% |

| Cash Flow Statement (VND billion) | 2022 | 2023 | 2024F | 2025F |
|---|----------|----------|---------|---------|
| Net profit/(loss) before tax | 7,793 | 13,694 | 19,962 | 27,562 |
| Depreciation and amortisation | 6,774 | 6,973 | 10,245 | 10,914 |
| Profit/loss from investing activities | -1,928 | -1,256 | 0 | 0 |
| Interest expense | 3,585 | 2,287 | 2,685 | 3,193 |
| Operating profit/(loss) before changes in Working Capital | 15,421 | 21,808 | 32,891 | 41,670 |
| (Increase)/decrease in receivables | -5,602 | -2,155 | -2,828 | -3,009 |
| (Increase)/decrease in inventories | 1,026 | -10,760 | -5,046 | -11,368 |
| Increase/(decrease) in payables | 2,610 | 2,406 | 1,270 | 3,865 |
| (Increase)/decrease in prepaid expenses | -88 | -220 | 0 | 0 |
| Operating cash flow | 8,643 | 7,027 | 19,583 | 25,447 |
| Purchases of fixed assets and other long term assets | -17,374 | -35,479 | -11,474 | -4,387 |
| Proceeds from disposal of fixed assets | 206 | 831 | 0 | 0 |
| Loans granted, purchases of debt instruments | -39,804 | -29,094 | 0 | 0 |
| Collection of loans, proceeds from sales of debts instruments | 43,280 | 32,063 | 1,527 | 0 |
| Investments in other entities | 0 | 0 | 0 | 0 |
| Proceeds from divestment in other entities | -526 | 258 | 0 | 0 |
| Dividends and interest received | 2,222 | 1,277 | 0 | 0 |
| Investing cash flow | -11,995 | -30,143 | -9,947 | -4,387 |
| Proceeds from issue of shares | 1 | 233 | 0 | 0 |
| Payments for share returns and repurchases | -2 | 0 | 0 | 0 |
| Proceeds from borrowings | 127,233 | 174,423 | 95 | 3,467 |
| Repayment of borrowings | -119,948 | -156,899 | 0 | 0 |
| Finance lease principal payments | 0 | 0 | 0 | 0 |
| Dividends paid | -8 | -5 | 0 | 0 |
| Interests, dividends, profits received | 0 | 0 | 0 | 0 |
| Financing cash flow | 7,276 | 17,752 | 95 | 3,467 |
| Net increase in cash and cash equivalents | 3,924 | -5,365 | 9,731 | 24,527 |
| Cash and cash equivalents - beginning | 8,325 | 12,252 | 6,888 | 16,618 |
| Cash and cash equivalents - ending | 12,252 | 6,888 | 16,618 | 41,145 |

Source: Hoa Phat Group, KB Securities Vietnam

| Balance Sheet (VND billion) (Standard report) | 2022 | 2023 | 2024F | 2025F |
|---|---------|---------|---------|---------|
| TOTAL ASSET | 187,783 | 224,490 | 243,331 | 275,708 |
| CURRENT ASSETS | 82,716 | 87,079 | 104,423 | 143,327 |
| Cash and cash equivalents | 12,252 | 6,888 | 16,618 | 41,145 |
| Short-term investments | 22,177 | 18,975 | 17,584 | 17,584 |
| Accounts receivable | 10,702 | 7,622 | 10,500 | 13,509 |
| Inventories | 34,504 | 46,521 | 51,567 | 62,935 |
| LONG-TERM ASSETS | 105,066 | 137,411 | 138,908 | 132,381 |
| Long-term trade receivables | 1,881 | 950 | 900 | 900 |
| Fixed assets | 71,998 | 67,428 | 114,177 | 114,682 |
| Long-term incomplete assets | 26,099 | 63,749 | 18,265 | 11,268 |
| Long-term investments | 40 | 137 | 0 | 0 |
| Good will (before 2015) | 0 | 0 | 0 | 0 |
| LIABILITIES | 84,946 | 109,842 | 111,306 | 119,428 |
| Current liabilities | 71,513 | 75,503 | 77,281 | 88,903 |
| Trade accounts payable | 12,387 | 14,110 | 16,101 | 19,967 |
| Short-term borrowings | 54,982 | 55,883 | 55,159 | 62,125 |
| Other short-term liabilities | 4,144 | 5,511 | 6,021 | 6,811 |
| Long-term liabilities | 13,433 | 34,339 | 34,024 | 30,524 |
| Long-term trade payables | 2,324 | 6,005 | 5,283 | 5,283 |
| Long-term borrowings | 10,399 | 27,080 | 27,899 | 24,399 |
| Other long-term liabilities | 709 | 1,253 | 842 | 842 |
| OWNER'S EQUITY | 102,836 | 114,647 | 132,025 | 156,280 |
| Paid-in capital | 58,148 | 63,963 | 76,755 | 76,755 |
| Share premium | 3,212 | 0 | 0 | 0 |
| Other funds | 818 | 816 | 816 | 816 |
| Undistributed earnings | 40,593 | 49,576 | 53,629 | 77,884 |
| State capital | 0 | 0 | 0 | 0 |
| Interest of non-controlling shareholders | 66 | 293 | 826 | 826 |

| Key ratios (x, %, VND) | 2022 | 2023 | 2024F | 2025F |
|--------------------------------|------|------|-------|-------|
| Multiple | | | | |
| P/E | 23.8 | 14.2 | 13.4 | 9.6 |
| P/E diluted | 23.8 | 14.2 | 13.4 | 9.6 |
| P/B | 1.6 | 1.5 | 1.8 | 1.5 |
| P/S | 1.4 | 1.2 | 1.4 | 1.1 |
| P/Tangible Book | 2.3 | 2.5 | 2.0 | 2.0 |
| P/Cash Flow | 18.8 | 24.3 | 11.9 | 9.2 |
| EV/EBITDA | 13.1 | 11.4 | 9.2 | 7.0 |
| EV/EBIT | 22.3 | 16.9 | 13.4 | 9.7 |
| Operating performance | | | | |
| ROE | 7% | 11% | 14% | 17% |
| ROA | 4% | 6% | 7% | 9% |
| ROIC | 4% | 7% | 8% | 11% |
| Financial structure | | | | |
| Cash Ratio | 0.2 | 0.1 | 0.2 | 0.5 |
| Quick Ratio | 0.6 | 0.4 | 0.6 | 0.8 |
| Current Ratio | 1.2 | 1.2 | 1.4 | 1.6 |
| LT Debt/Equity | 0.1 | 0.2 | 0.2 | 0.2 |
| LT Debt/Total Assets | 0.1 | 0.1 | 0.1 | 0.1 |
| Debt/Equity | 0.5 | 0.5 | 0.4 | 0.4 |
| Debt/Total Assets | 0.3 | 0.2 | 0.2 | 0.2 |
| ST Liabilities/Equity | 0.2 | 0.2 | 0.2 | 0.2 |
| ST Liabilities/Total Assets | 0.1 | 0.1 | 0.1 | 0.1 |
| Total Liabilities/Equity | 0.2 | 0.2 | 0.2 | 0.2 |
| Total Liabilities/Total Assets | 0.1 | 0.1 | 0.1 | 0.1 |
| Activity ratios | | | | |
| Account Receivable Turnover | 18.2 | 17.2 | 15.4 | 16.7 |
| Inventory Turnover | 2.8 | 3.0 | 2.9 | 2.9 |
| Account Payable Turnover | 9.1 | 9.5 | 8.9 | 10.0 |

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Investment ratings & definitions

Investment Ratings for Stocks

(Based on the expectation of price gains over the next 6 months)

| Buy: | Neutral: | Sell: |
|--------------|--------------|--------------|
| +15% or more | +15% to -15% | -15% or more |

Investment Ratings for Sectors

(Based on the assessment of sector prospects over the next 6 months)

| Positive: | Neutral: | Negative: |
|-----------------------|---------------------------------|-------------------------|
| Outperform the market | Perform in line with the market | Underperform the market |

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