



HSG Flash note – NOT RATED

November 7, 2025



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Flash note

Recommendation

NOT RATED

HSX: HSG

Steel

Target price (VND)

N/A

Market price (VND)

16,850

Expected share price return

N/A

Expected dividend yield

N/A

Expected total return

N/A

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-5.2	-5.3	-8.1	-12.0
Relative	-36.8	-6.0	-15.6	-47.3

Source: Bloomberg



Ownership

Le Phuoc Vu 16.9%
(Chairman of the BOD)

Stock Statistics

07-Nov-25

Bloomberg code

HSG VN

52-week range (VND) 12,400 - 21,200

Shares O/S (m) 621

Mkt cap (VND bn) 10,557

Mkt cap (USD m) 414

Est. Foreign room left (%) 43.7

Est. free float (%) 76.2

3m avg daily vol (shrs) 9,427,202

VND/USD 26,450

Index: VNIIndex / HNX 1642.64/266.15

HOA SEN GROUP JSC (HSG VN)

A gloomy 3Q2025 business result was due to a decline in output along with a narrowing gross profit margin due to increased input HRC prices. Looking ahead to 2026, the coated steel industry is expected to face persistent challenges from global demand weakness and trade protectionism. However, domestic demand is anticipated to improve moderately, supported by a recovery in residential construction activity and the Government's continued acceleration of public investment projects.

Revenue weakened due to export headwinds: In 3Q2025, Hoa Sen Group (HSG, fiscal year (FY): Oct 1, 2024 – Sep 30, 2025) reported revenue of VND8,375 bn (-12% QoQ, -17% YoY), primarily driven by a sharp decline in export volumes following the loss of the U.S. market in late 2024 and rising global protectionism. Total steel volume reached 414,000 tons (-10% QoQ, -17% YoY), of which exports dropped to 120,000 tons (-28% QoQ, -49% YoY). Meanwhile, domestic sales remained flat QoQ (+12% YoY) at 294,000 tons, insufficient to offset the downturn in exports. For FY2025, HSG recorded net revenue of VND36,538 bn (-7% YoY), fulfilling 96% of its annual target, with total sales volume of 1.8 ml tons (-6% YoY). Of which, domestic output increased to more than 1.1 ml tons (+17% YoY) but export output decreased to 670,000 tons (-30% YoY) due to fierce competition in the international market, weak seasonal construction demand and oversupply in the galvanized steel segment.

Gross margin compressed amid rising HRC costs: HSG's gross margin narrowed to 12.2%, down from 12.8% in 2Q2025, as HRC prices surged following the imposition of anti-dumping duties (AD20) on Chinese HRC imports and the depletion of low-cost inventories. NPATMI in 3Q2025 reached VND85 bn (-69% QoQ), compared to a loss of VND121 bn in the same period last year.

For FY2025, consolidated net profit reached VND731 bn (+44% YoY), achieving 146% of the annual target. However, core earnings (excluding inventory reversals, FX gains, and other non-operating items) declined to VND 337 bn (-29% YoY) due to margin pressure and heightened competition in the domestic market.

Quick comment: The coated steel sector is expected to face ongoing headwinds in 2026, as external demand remains weak and protectionist policies persist. Nevertheless, a rebound in public investment and residential construction could support domestic consumption. Over the longer term, HSG's Hoa Sen Home retail chain is anticipated to become a key growth driver, with plans to expand its network to 600 stores, up from 122 stores and over 400 distribution points currently.

	FY2021	FY2022	FY2023	FY2024	FY2025
Net Sales (VNDbn)	48,727	49,711	31,651	39,272	36,583
Growth	77.2%	2.0%	-36.3%	24.1%	-7.0%
EBITDA (VNDbn)	6,289	1,724	1,308	1,413	1,640
Growth	98.0%	-72.6%	-24.1%	8.0%	16.1%
PATMI (VNDbn)	4,314	251	28	479	734
Growth	274.3%	-94.2%	-88.8%	1,610.7%	53.2%
EPS (bonus-adjusted, VND)	8,129	390	45.3	777	1,182
Growth	232.1%	-95.2%	-88.4%	1,615.2%	52.1%
ROE	47.7%	-10.0%	7.8%	5.3%	6.5%
ROA	21.7%	-5.5%	4.7%	3.0%	3.9%
Net debt/EBITDA (times)	1.1	2.6	2.4	3.9	8.5
EV/EBITDA (times)	2.3	8.0	9.6	10.6	8.5
PER (times)	2.1	42.8	368.0	21.4	14.1
PBR (times)	0.8	0.9	1.0	0.9	1.0
DPS (VND)	0	0	500	500	0
Dividend yield	0%	0%	1.6%	2.0%	0%

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DISCLAIMER

Our Recommendation System

BUY: Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

OUTPERFORM: Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months

NEUTRAL: Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months

UNDERPERFORM: Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months

SELL: Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

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