



NKG Flash note – NOT RATED

November 7, 2025



Mr. Dat Do

(+84 28) 7300 7000 (x1048)

datdt@acbs.com.vn

Flash note

Recommendation

NOT RATED

HSX: **NKG**

Steel

N/A

Target price (VND)

16,700

Market price (VND)

Expected share price return

N/A

Expected dividend yield

N/A

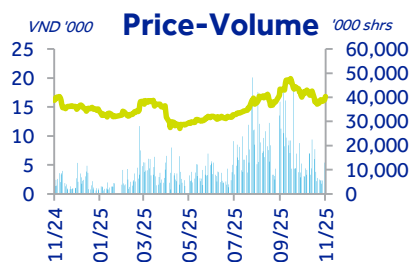
Expected total return

N/A

Stock performance (%)

	YTD	1M	3M	12M
Absolute	16.3	-3.0	4.5	-0.7
Relative	-16.1	-1.4	-4.3	-31.9

Source: Bloomberg



Ownership

Ho Minh Quang 15.9%
(Chairman of the BOD)

Stock Statistics 07-Nov-25

Bloomberg code	NKG VN
52-week range (VND)	11,050 - 20,400
Shares O/S (m)	448
Mkt cap (VND bn)	7,519
Mkt cap (USD m)	295
Est. Foreign room left (%)	44.9
Est. free float (%)	74.0
3m avg daily vol (shrs)	16,465,600
VND/USD	26,450
Index: VNIIndex / HNX	1651.98/265.91

NAM KIM STEEL JSC (NKG VN)

A gloomy 3Q2025 business result was due to a decline in output and selling prices along with a narrowing gross profit margin due to increased input HRC prices. The outlook for NKG is expected to be more favorable in 2026, supported by a rebound in residential construction and the Government's continued emphasis on public investment initiatives.

Revenue weakened due to export headwinds: In 3Q2025, NKG reported revenue of VND3,773 bn (-1% QoQ, -27% YoY), reflecting a contraction in both sales volume and average selling price (ASP). Total steel sales reached 195,000 tons (-3% QoQ, -22% YoY) as export demand continued to soften. Domestic sales volume rose to 138,000 tons (+16% QoQ, +50% YoY), supported by the implementation of anti-dumping duty AD19 on coated steel imports from China and South Korea. However, this was insufficient to offset the sharp decline in exports, which fell 31% QoQ and 64% YoY, amid intensifying global protectionism. The ASP was estimated at VND19.3 ml per ton (+3% QoQ, -7% YoY), with export and domestic prices down 27% and 6% YoY, respectively, resulting in lower topline growth. For 9M2025, NKG recorded revenue of VND11,672 bn (-28% YoY), fulfilling 51% of its full-year target.

Gross margin compressed amid rising HRC costs: NKG's gross profit margin declined to 4.8% in 3Q2025, compared with 7.1% in 2Q2025 and 8.7% in 3Q2024. The contraction was primarily driven by a sharp increase in input HRC prices following the imposition of anti-dumping duty AD20 on Chinese HRC imports, while low-cost inventories were depleted. In addition, oversupply in the domestic market and sluggish exports intensified price competition, further eroding profitability.

Cost optimization: NKG's net financial expense fell sharply to VND12 bn (-85% QoQ, -79% YoY), mainly due to lower foreign exchange losses as the company increased the share of domestic raw materials to 50–60% (vs. 20–30% in the same period last year). Selling and administrative expenses dropped to VND109 bn (-35% QoQ, -65% YoY) thanks to reduced export-related costs. Consequently, NPATMI reached VND50 bn in 3Q2025 (-46% QoQ, -24% YoY) and VND207 bn in 9M2025 (-52% YoY), achieving 59% of the annual plan.

Quick comment: We believe that the recovery outlook for the coated steel market in 2026 remains challenged by headwinds from international markets, despite a potential improvement in domestic demand supported by a rebound in residential construction and accelerated public investment. NKG is still in the midst of a restructuring phase, with profit margins continuing to be squeezed due to weak sales volumes and volatile input material prices. Although the Phu My Coated Steel Plant (Phase 1, with a capacity of 500,000 tons per year) is expected to commence operations by end-June 2026, which could enhance both production capacity and domestic market share, the industry's persistent oversupply risks may limit the investment efficiency and pace of profit recovery for the company.

	2022	2023	2024	9T2024	9T2025
Net Sales (VNDbn)	23.071	18.596	20.609	16.140	11.672
Growth	-18,1%	-19,4%	10,8%	14,2%	-27,7%
EBITDA (VNDbn)	471	749	1.064	1.046	710
Growth	-84,9%	58,9%	42,1%	254,5%	-32,1%
PATMI (VNDbn)	-125	117	453	435	207
Growth	N/a	-194,2%	285,8%	296,0%	-52,5%
EPS (bonus-adjusted, VND)	-474	446	1.434	1.451	503
Growth	N/a	N/a	321,5%		-65,3%
ROE	-2,3%	2,2%	8,0%		
ROA	-0,9%	0,9%	3,5%		
Net debt/EBITDA (times)	8,7	5,3	5,6		
EV/EBITDA (times)	2,0	22,7	10,1		
PER (times)	N/a	30,3	11,9		
PBR (times)	1,2	0,7	0,9		
DPS (VND)	0	0	0		
Dividend yield	0%	0%	0%		

CONTACTS

Ho Chi Minh City Head Office

117 Nguyen Dinh Chieu, Xuan Hoa Dist, Ho Chi Minh City
Tel: (+84 28) 7300 7000
Fax: (+84 28) 7300 3751

Hanoi Office

10 Phan Chu Trinh, Hoan Kiem Dist., Ha Noi
Tel: (+84 4) 3942 9395
Fax: (+84 4)3942 9407

DEPARTMENT OF RESEARCH & MARKET STRATEGY

Head of Research & Market Strategy

Trang Do

(+84 28) 7300 7000 (x1041)
trangdm@acbs.com.vn

Manager – Properties

Truc Pham
(+84 28) 7300 7000 (x1043)
trucptt@acbs.com.vn

Manager – Financials

Hung Cao
(+84 28) 7300 7000 (x1049)
hungcv@acbs.com.vn

Manager – Retail, Technology

Chi Luong
(+84 28) 7300 7000 (x1042)
chiltk@acbs.com.vn

Associate – Oil & Gas

Hung Phan
(+84 28) 7300 7000 (x1044)
hungpv@acbs.com.vn

Associate – Construction

Dat Do
(+84 28) 7300 7000 (x1047)
datdt@acbs.com.vn

Associate – Utilities

Toan Pham
(+84 28) 7300 7000 (x1051)
toanpd@acbs.com.vn

Analyst – Technical

Huu Vo
(+84 28) 7300 7000 (x1052)
huvvp@acbs.com.vn

INSTITUTIONAL CLIENT DIVISION

Director

Huong Chu

(+84 28) 7300 7000 (x1083)
huongctk@acbs.com.vn
groupis@acbs.com.vn

Associate

Huynh Nguyen

(+84 28) 7300 6879 (x1088)
huynhntn@acbs.com.vn

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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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