

HOA PHAT GROUP JOINT STOCK COMPANY (HSX: HPG)

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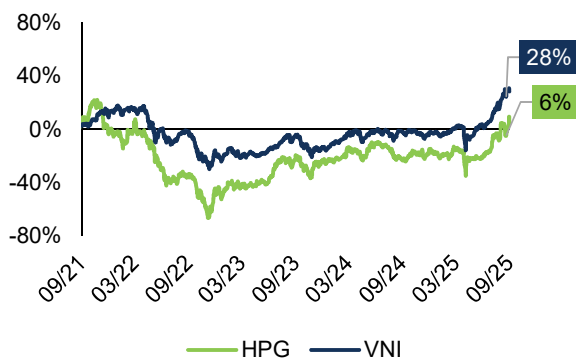
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Translator: **Do Chu Hoang Linh, Vu Duc Nguyen**
HPG & VNIndex price fluctuation


Transaction information	05/09/2025
Current price (VND/share)	28,800
52-week high price (VND/share)	29,850
52-week low price (VND/share)	17,737
Number of listed shares (million shares)	7,675
Number of outstanding shares (million shares)	7,675
Average 30-day trading volume (shares/day)	88,348,621
Foreign ownership ratio (%)	20.88%
Capitalization (billion VND)	221,053
Trailing 12-month EPS (VND/share)	1,750
Trailing 12-month P/E	16.46x

Business Overview	
Name	Hoa Phat Group Joint Stock Company
Address	Pho Noi A Industrial Park, Nguyen Van Linh Commune, Hung Yen Province, Vietnam
Main revenue	Steel production & trading, including: Construction steel, galvanized steel HRC and steel pipes
Main cost	Raw materials for steel production (Iron ore, coke and scrap steel)
Key Risks	Input material price movement

Shareholder structure as of September 8, 2025	(%)
Mr. Tran Dinh Long – Chairman of the Board of Directors	25.8%

Current price:

28,800
Recommendation

Target price:

33,250
BUY

Increase/(decrease):

+15.4%

GROWTH MOMENTUM FROM DUNG QUAT 2 COMPLEX

Recommendation: We recommend a **BUY** for HPG stock, with a target price of 33,250 VND/share (**15.4% higher** than the closing price on September 5, 2025, based on FCFE and FCFF cash flow discount methods). ([details](#))

INVESTMENT THESIS

Expected business performance to grow positively from 2025 due to contributions from Dung Quat 2 Complex. The operation of the Dung Quat 2 Complex in 2025 is expected to enable HPG to achieve the highest HRC (hot-rolled coil) steel production capacity in the country at 8.6 million tons/year, surpassing its competitor Formosa Ha Tinh by 65.4%. This is anticipated to drive consolidated net revenue and net profit after tax in 2025 to increase by +21.9% YoY (reaching 169,332 billion VND, achieving 99.6% of the 2025 plan) and +46.4% YoY (reaching 17,600 billion VND, achieving 117.3% of the 2025 plan), respectively, as the domestic market faces a shortage of HRC steel supply and benefits from trade protection policies. Specifically:

- **Domestic production volume (accounting for 69% of total production) is expected to perform positively (+48.8% YoY)** due to recovering construction demand driven by improved licensing activities. Notably, HRC steel production is projected to surge by +85.8% YoY, thanks to contributions from the Dung Quat 2 Complex and the Ministry of Industry and Trade's official imposition of anti-dumping duties on imported steel from China ([details](#))
- **Export volume (31% of total volume) is expected to decline sharply (-48.6% YoY)** due to fierce competition with cheap Chinese steel and trade protection policies in the US and EU. ([details](#))

Gross profit margin in 2025 is expected to increase by +3.1 ppt YoY, to 16.4% thanks to input material price falling more sharply than construction steel and HRC price as Chinese steel demand remains sluggish. ([details](#))

2025F – 2030F Period: Projected net revenue and profit after tax are expected to grow at +3.6%/year and +12.1%/year, respectively. Total steel consumption volume is anticipated to increase by +5.1%/year, driven by positive domestic construction prospects and the stable operation of the Dung Quat 2 Complex. The decline in steel price is expected to slow, with construction steel price projected at -0.2%/year domestically and -1.0%/year for exports, and HRC steel prices at -2.2%/year domestically and -1.0%/year for exports. This

Mrs. Vu Thi Hien (Wife of Mr. Tran Dinh Long)	6.9%
Mr. Tran Tuan Duong (Vice Chairman of Board of Directors)	2.3%
Mr. Tran Vu Minh (Son of Mr. Tran Dinh Long)	2.3%
Other shareholders	62.7%

slowdown is attributed to reduced pressure from China, as the country undertakes steel industry restructuring to cut production.

INVESTMENT RISK ([detail](#))

- Sharp increase in imports of large-width HRC steel from China evading anti-dumping duties into Vietnam could reduce the Dung Quat 2 Complex's consumption volume and project payback capacity.
- Progress of the Rail Steel Production Plant Project at Dung Quat 2 Complex

I. BUSINESS OVERVIEW



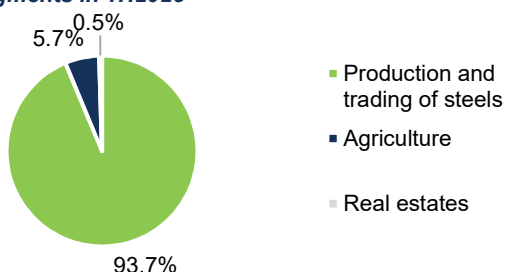
Hoa Phat Group Joint Stock Company (HSX: HPG) established in 1995 as a construction machinery trading business, HPG has since expanded into various sectors, including Furniture (1995), Steel Pipes (1996), Steel Manufacturing (2000), Refrigeration (2001), Real Estate (2001), and Agriculture (2016).

In 1H2025, HPG's business performance is divided into three main segments: Steel Manufacturing and Trading, Agriculture, and Real Estate. The steel segment dominates, accounting for 93.7% of net revenue and 82.4% of net profit after tax.

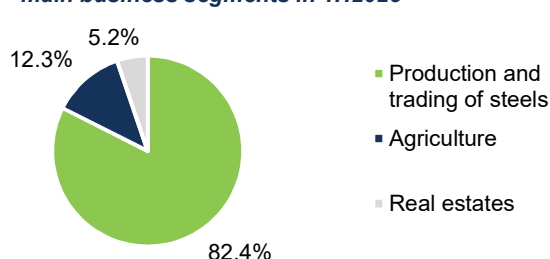
Therefore, in this update valuation report, we will focus on analyzing HPG's steel manufacturing and trading segment, with a preliminary assessment of the agriculture and real estate segments. Key steel products include: construction steel (43.9% of 1H2025 production volume), hot-rolled coil steel (38.7%), steel pipes (7.2%), coated steel (3.6%), and steel billets (6.6%).

Chart 1: Production and trading of steels is HPG's main business segment

HPG's net revenue divided by main business segments in 1H2025



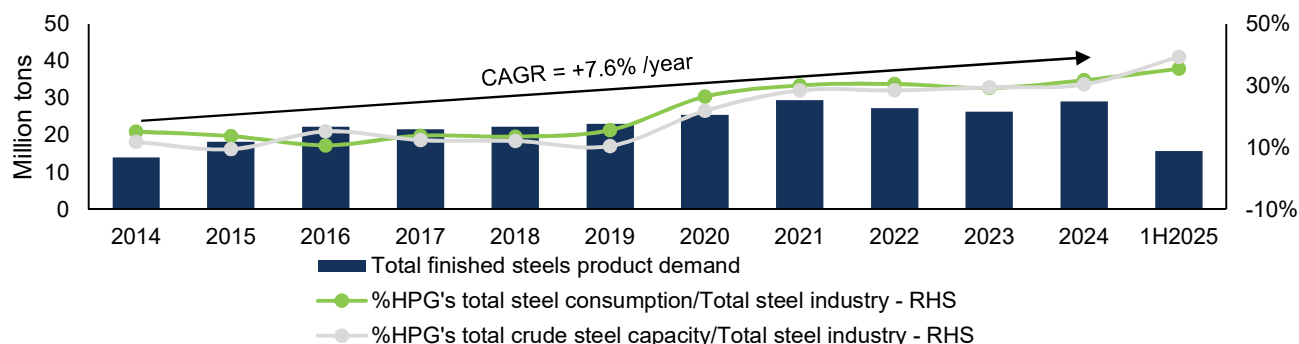
HPG's net profit after tax (NPAT) divided by main business segments in 1H2025



Sources : HPG, FPTs Research

HPG is Vietnam's largest steel manufacturing and trading company, both in terms of production scale (with an estimated crude steel capacity of 13.2 million tons/year, equivalent to 39.4% of the national capacity in 1H2025) and market share (including domestic and export markets, with 37.2% in construction steel, 54.4% in hot-rolled coil steel, and 30.0% in steel pipes in 1H2025). HPG has achieved this leading position due to: (1) Continuous capacity expansion to meet the rapidly growing steel consumption demand (+7.6%/year from 2014 to 2024). (2) Being the only company in Vietnam to operate and invest in a closed-loop steel production value chain (due to significant initial capital barriers) using Blast Oxygen Furnace (BOF) technology, which reduces production costs. (3) Being one of only two domestic companies (alongside Formosa Ha Tinh) capable of producing hot-rolled coil (HRC) steel.

Chart 2: HPG's production and sales scale have grown greatly in line with the steel industry's rising demand



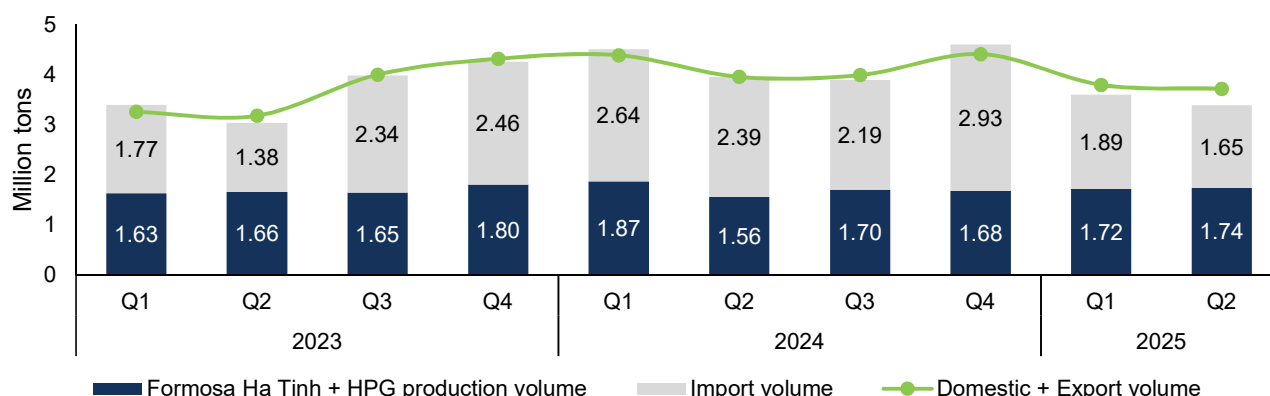
Sources : Vietnam Steel Association (VSA), HPG, FPTs Research

HPG's business prospects are expected to be positive, driven by continued growth in steel demand from the construction sector and its sustained low production cost advantage due to modern technology and partial self-sufficiency in input materials.

In the HRC segment (accounting for 38.7% of consumption volume), HPG has emerged as the market leader in both consumption market share and domestic production scale in 1H2025, with an estimated capacity of 5.8 million tons/year. Specifically, by the end of 1H2025, HPG commenced operations of Phase 1 of the Dung Quat 2 project with a capacity of 2.8 million tons/year, enabling the company to surpass Formosa Ha Tinh by 3.4%. The Dung Quat 2 Integrated Steel Complex, which broke ground in Q1/2022, is expected to increase HPG's total HRC steel capacity to 8.6 million tons/year (an 86.7% increase from its previous capacity).

The Dung Quat 2 project is anticipated to be the primary driver of HPG's business growth due to: (1) The domestic market's shortage of HRC steel supply, with domestic production meeting only an average of ~44% of total consumption demand from 2023 to 2025. (2) Trade protection for the domestic market, as HRC steel imported from China (accounting for ~50% of annual import volume) has been subject to temporary anti-dumping duties since February 2025 and official anti-dumping duties since July 2025 (accordingly, the proportion of the domestic market/total HRC steel consumption volume of HPG in 1H2025 has increased sharply by 19.8 ppt YoY, to 86.4%).

Chart 3: Domestic HRC steel supply remains insufficient to meet consumption demand



Sources : VSA, Giathepton, FPTs Research

Overall, HPG demonstrates a high level of transparency with timely and comprehensive information disclosure. In addition to financial statements, the company also releases a business overview report (covering consolidated business results, evaluations of segment performance, updates on financial status, and ongoing projects) as well as monthly updates on consumption volume and market share. However, in this report, we had to estimate (1) gross profit margins by business segment and (2) export volumes by market due to a lack of detailed information.

II. UPDATED BUSINESS RESULTS 1H2025

For 2025, HPG has set an ambitious business plan with strong growth targets. Specifically, the company aims for consolidated net revenue to increase by +22.4% YoY (reaching 170,000 billion VND) and net profit after tax to rise by +24.8% YoY (reaching 15,000 billion VND). These targets are driven by expectations that Phase 1 of the Dung Quat 2 project will operate stably throughout the year, boosting HRC steel consumption volume.

In 1H2025, HPG recorded positive business results, with net revenue up +4.4% YoY (reaching 73,532 billion VND, achieving 43.3% of the plan) and net profit after tax up +23.0% YoY (reaching 7,614 billion VND, achieving 50.8% of the plan). The modest revenue growth was primarily driven by the domestic steel market, as exports faced challenges due to competition with Chinese steel and trade protection policies in the EU and the US. The significant increase in net profit after tax was driven by the stronger decline in input material price compared to selling price.

Table 1: HPG's 1H2025 business results

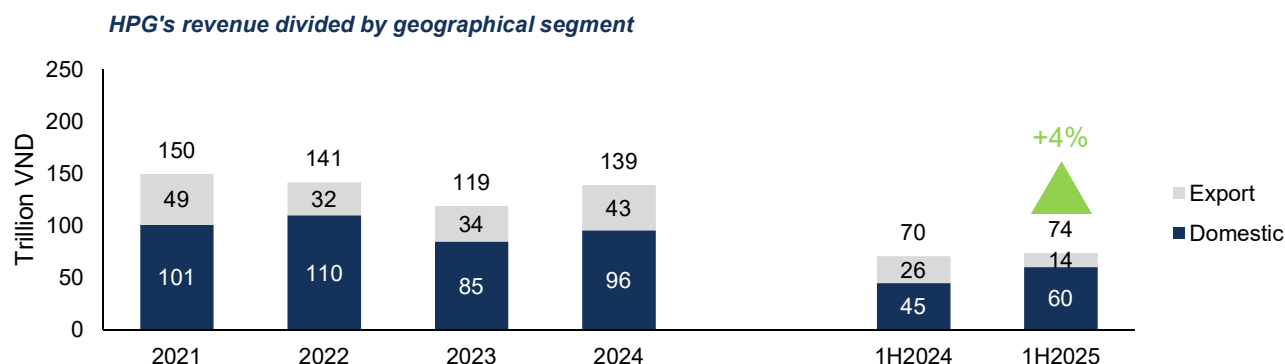
	1H2025	%YoY	%2025 plan	Interpretation
Net revenue	73,532	+4.4%	43.3%	
- Steel production and trading (including exclusions)	68,921	+3.7%		Steel consumption volume increased by 20.5% YoY thanks to recovering domestic demand and the operation of phase 1 of Dung Quat 2 Complex.
- Agriculture	4,228	+38.2%		Average live hog price in 1H2025 increased sharply by 18.5% YoY, reaching 70,879 VND/kg.
- Real estate	383	-55.4%		Leasing area decreased as the occupancy rate of industrial parks reached ~100% in 2024.
Gross profit	12,014	+27.8%		Input price continued to decline and fell faster than selling price, including iron ore (-12.3% YoY), coking coal (-19.7% YoY), and scrap steel (-11.3% YoY) due to sluggish Chinese steel demand.
Gross profit margin	16.3%	+3.0 ppt		
Financial revenue	936	-33.0%		
Financial expenses	1,950	-8.3%		
- Including: Interest expense	1,066	-11.1%		
S&A expenses	2,233	+6.6%		
Revenue ratio	3.0 %	+0.1 ppt		
Profit before tax	8,812	+26.0%		
Net profit after tax	7,614	+23.0%	50.8%	
Net profit margin	10.4%	+1.6 ppt		
- Steel production and trading (including exclusions)	9.1%	+0.9 ppt		
- Agriculture	22.2%	+8.9 ppt		
- Real estate	103.7%	+64.7 ppt		

Source: HPG, FPTs research

1. Net revenue growth slows due to positive domestic channel while export is gloomy

HPG's net revenue in 1H2025 grew modestly by +4.4% YoY, primarily driven by the domestic market. Domestic revenue saw strong growth of +34.3% YoY, fueled by a significant increase in consumption volume due to favorable domestic construction conditions and the operational start of Phase 1 of the Dung Quat 2 Complex. In contrast, export revenue declined sharply by -47.4% YoY, impacted by trade protectionism in the US and EU. Additionally, steel selling price in both domestic and export markets continued to decline in 1H2025, pressured by the Chinese market.

Chart 4: The domestic market was the main driver of HPG's revenue growth in 1H2025

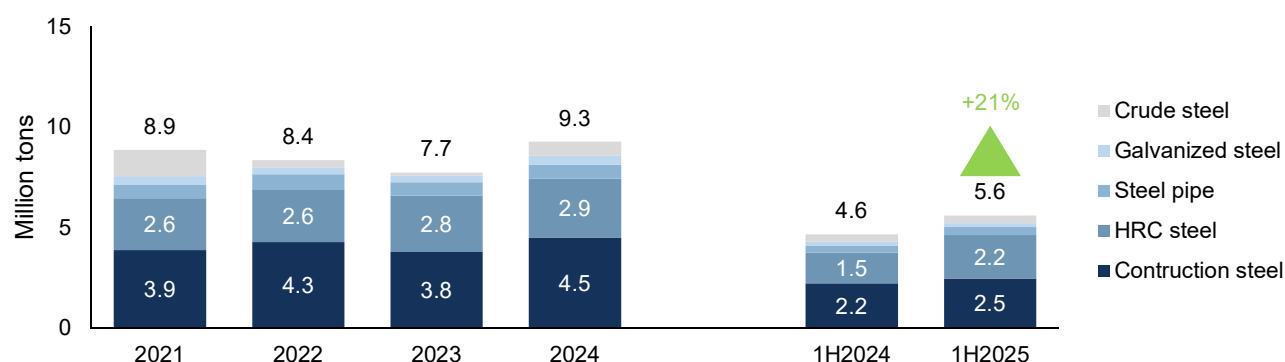


Sources : HPG, FPTs Research

1.1. Steel consumption in 1H2025 is positive thanks to increased scale and improved domestic demand

Steel volume in 1H2025 grew by +20.5% YoY thanks to phase 1 of Dung Quat 2 starting operation and positive domestic construction demand, offsetting the poor export market. Of which, two main products Construction steel and HRC steel (accounting for 82.6% of total volume in 1H2025) contributed the most to consumption growth.

Chart 5: Construction and HRC steel were the largest contributors to HPG's consumption growth in 1H2025

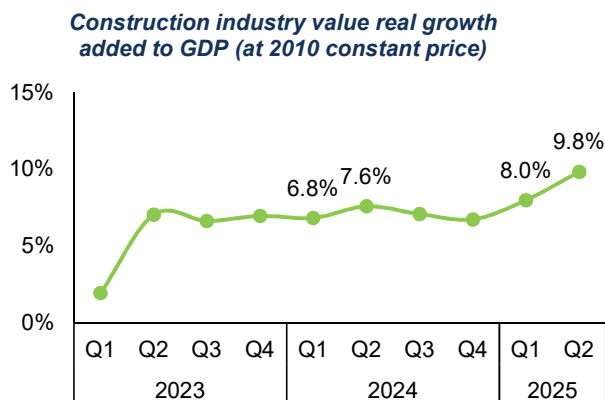


Sources : HPG, FPTs Research

Domestic consumption (accounting for 85% of production volume) was a bright spot, driven by robust growth in construction demand. Construction steel and HRC steel consumption volumes surged by +32.3% YoY (reaching 2.08 million tons) and +83.8% YoY (reaching 1.88 million tons), respectively, fueled by strong domestic construction activity in 1H2025. The construction sector recorded its highest growth in three years at 9.6% (up +2.3 percentage points YoY), supported by streamlined administrative procedures that facilitated project licensing. According to the Ministry of Construction, the number of licensed commercial housing projects increased by +26.3% (48 projects), and the number of housing units rose by +1.0% YoY (20,205 units) in 1H2025. Similarly, construction steel consumption by Vietnam Steel Corporation (HNX: TVN), the second-largest market share holder, and Viet Duc VG PIPE Joint Stock Company (HNX: VGS), the third-largest, grew by +21.9% YoY (758,000 tons) and +27.2% YoY (350,000 tons), respectively.

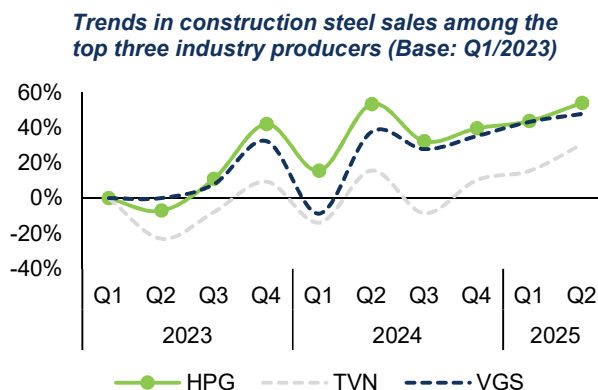
For HRC products, domestic consumption was further bolstered by: (1) The operational start of Phase 1 of the Dung Quat 2 project (with a capacity of 2.8 million tons of HRC/year) from early Q1/2025. (2) Vietnam's imposition of temporary anti-dumping duties on HRC steel imported from China starting in February 2025.

Chart 6: Construction growth in 1H2025 reached a three-year peak, supported by improved licensing



Sources: General Statistics Office, FPTs research

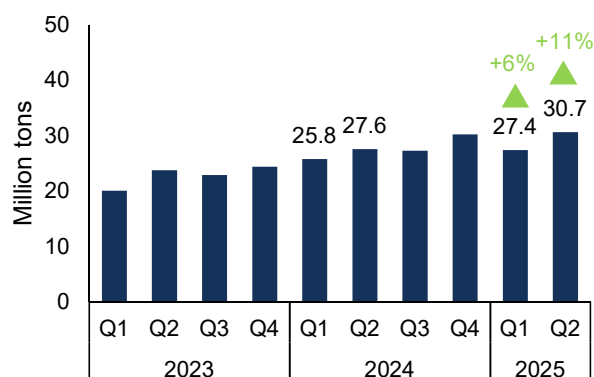
Chart 7: The high growth in construction steel sales was a common trend across the industry in 1H2025



Sources: VSA, FPTs Research

In contrast, steel exports (accounting for 15% of production volume) experienced a significant decline, with construction steel and HRC steel export volumes dropping by -42.4% YoY (378,000 tons) and -42.3% YoY (295,000 tons), respectively, due to challenges in Asia, EU, and Americas markets. HPG faced intense price competition with Chinese steel, as China ramped up steel exports amid persistently weak domestic demand. According to China's General Administration of Customs, China's steel production in 1H2025 rose by +8.8% YoY (58.1 million tons), with Q2/2025 alone reaching a 10-year peak (up +11.0% YoY, totaling 30.7 million tons).

Chart 8: China's steel export volume increased significantly, up +8.8% YoY in 1H2025



Sources: National Bureau of Statistics of China, FPTs Research

Chart 9: China's export HRC steel price has been consistently lower than HPG's by an average of 8.0%



Sources: VSA, FPTs Research

Despite China facing anti-dumping duties from regions such as India, Vietnam, the US, and the EU, its steel exports surged in 1H2025 due to: (1) Exporting products not subject to duties, (2) Shifting consumption to regions without tariffs, such as the Middle East and Southeast Asia, which are key export markets for HPG. Additionally, the EU's tightened steel import quotas starting from late March 2025 and the US's increase in Section 232 tariffs on imported steel to 50% from early June 2025 negatively impacted HPG's export volumes in 1H2025.

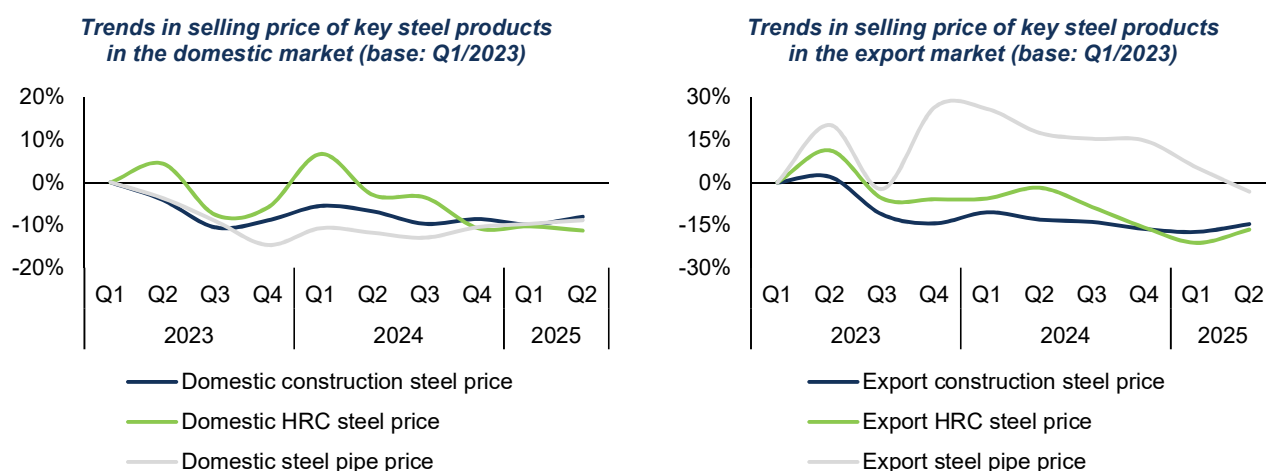
1.2. Declining selling price in 1H2025 due to increased competition from Chinese steel

Selling price trended downward in both domestic and export markets due to competitive pressure from Chinese steel, which accounts for over 50% of global steel production and consumption. China's steel industry

continued to face severe oversupply, with a capacity utilization rate of 68% in 1H2025 (down 11.0 ppt YoY and significantly below the industry's normal rate of 80%, according to the China Iron and Steel Association). This oversupply forced China to boost exports to Vietnam and HPG's key export markets, intensifying competition and reducing HPG's steel selling price. Specifically:

- Domestic construction steel prices fell by -3.0% YoY to 14,394 VND/kg and Domestic HRC steel prices dropped by -12.4% YoY to 13,288 VND/kg. The significant -12.4% YoY decline in HRC price was primarily due to competitive pressures from imports, driven by: (1) Chinese steel evading anti-dumping duties by importing larger-width products not covered by the tariffs. (2) A sharp increase in HRC steel Vietnam imports from other countries such as Japan and Taiwan.

Chart 10: HPG's steel selling price in 1H2025 followed a downward trend in both domestic and export markets



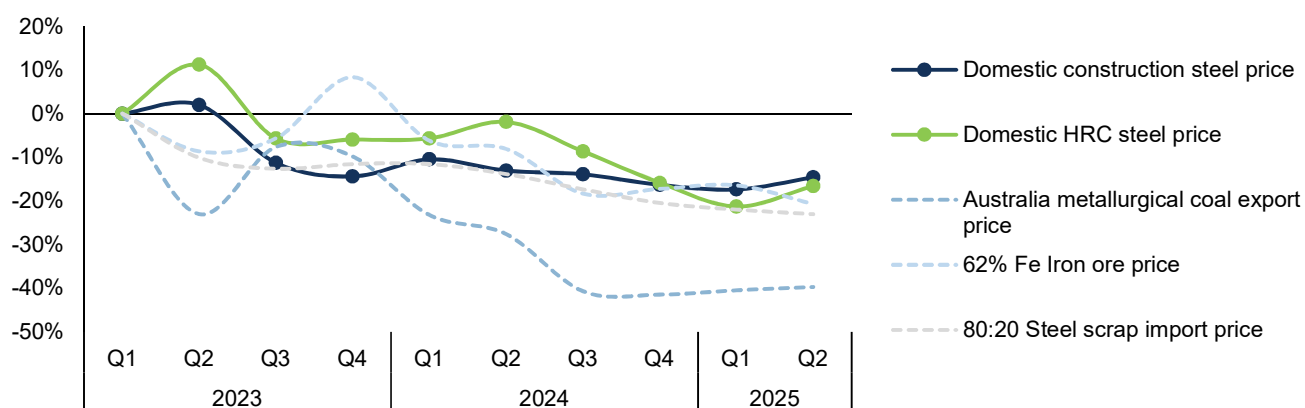
Sources: VSA, Department of Vietnam Customs, FPTs Research

- Export steel price fell even more sharply than domestic price as export demand weakened due to trade protection policies in the US and EU markets. At the end of 1H2025, HPG's average export steel price decreased by -4.8% YoY (522 USD/ton) for construction steel and -15.8% YoY (509 USD/ton) for HRC steel.

2. The gross profit margin in 1H2025 increased by 3.0 ppt YoY, driven by the continued decline in input material price, which fell faster than selling price

Iron ore prices (estimated to account for 28% of costs) maintained their downward trend due to subdued steel production demand. The average iron ore price in 1H2025 dropped by -12.3% YoY (reaching 101 USD/ton), with Q2/2025 seeing a -13.7% YoY and -5.1% QoQ decline (reaching 98 USD/ton). According to the Australian Department of Industry, Science and Resources (DISR), iron ore price adjusted downward almost immediately following China's announcement of steel production cuts in March 2025. Additionally, iron ore supply from Brazil (the world's second-largest iron ore producer) rose by +3.7% YoY (to 83.6 million tons) in Q2/2025, supported by increased mining at the Vale mountain mine (which accounts for 80% of Brazil's annual iron ore production).

Chart 11: Steelmaking material price declined faster than HPG's steel price in 1H2025 (base: Q1/2023)



Sources: VSA, HPG, FPTs Research

Coking coal price (estimated to account for 15% of costs) remained at low levels. The average coking coal price in 1H2025 dropped by -19.7% YoY (reaching 183 USD/ton). In Q2/2025, price saw a slight increase of +1.3% QoQ (reaching 184 USD/ton, still down -16.7% YoY). DISR evaluated the minor price uptick in Q2/2025 was due to a sudden supply shortage in Australia caused by flooding at the Queensland mine (which accounts for ~50% of Australia's annual metallurgical coking coal production) and accidents at the North Moranbah and Appin mines, negatively impacting mining operations and volume. However, Australian coking coal price in 1H2025 remained at their lowest level in three years, driven by reduced steel production demand in China.

Scrap steel price (estimated to account for 14% of costs) followed a similar downward trend as iron ore and coking coal. By the end of 1H2025, the average imported scrap steel price decreased by -11.3% YoY (reaching 339 USD/ton).

Compared to the -3.0% YoY and -12.4% YoY declines in domestic construction steel and HRC steel price, respectively, in 1H2025, input material price fell at a faster rate. This contributed to an improvement in **HPG's gross profit margin in 1H2025, which rose by +3.3 ppt YoY to 16.3%.**

III. BUSINESS OUTLOOK: POSITIVE THANKS TO CONTRIBUTION FROM DUNG QUAT 2 COMPLEX

In 2025, we project HPG to achieve consolidated net revenue of 169,470 billion VND (+22.0% YoY and 99.7% of the 2025 plan) and consolidated net profit after tax of 17,613 billion VND (+46.5% YoY and 117.4% of the 2025 plan).

The projected growth in business performance is driven by: (1) Total steel consumption volume expected to increase by 18.5% YoY in 2025, with HRC steel specifically rising by 46.5% YoY, supported by the early operation of Phase 2 of the Dung Quat 2 Complex. (2) Gross profit margin expected to improve due to continued declines in input material price. Specifically:

Unit: Billion VND	2025F	%YoY	CAGR 2025F – 2030F	Interpretation
Net revenue	169,332	+21.9%	+3.6%/year	
- Steel production and trading	159,544	+22.9%	+4.0%/year	2025: Consumption increases sharply thanks to phase 2 of Dung Quat 2 Complex project operating early. After 2025: Expected to increase slowly as the project becomes operational.
- Agriculture	8,009	+15.9%	-4.0%/year	2025: Positive when commercial hog price in 1H2025 increase sharply due to African swine fever. After 2025: Revenue is expected to gradually decrease when the epidemic is under control.
- Real estate	1,779	-16.2%	+0.9%/year	2025: Decline as occupancy rates in existing industrial parks (IPs) are close to 100%. After 2025: Steady growth thanks to increased leasable area from Yen My II Industrial Park (Phase 2).
Gross profit	27,826	+50.4%	+9.0%/year	2025: Significant increase as input material price continue to decline. After 2025: Rapid growth thanks to low input material price and stable operation of Dung Quat 2 project
Gross profit margin	16.4%	+3.1 ppt	20.4%	
Financial expenses	5,687	+43.4%	+3.9%/year	
- Interest expense	3,712	+62.3%	+4.7%/year	2025: Sharp increase due to increased short-term debt to finance working capital for Dung Quat 2 project.

After 2025: Increase steadily assuming working capital needs gradually increase when Dung Quat 2 project comes into stable operation.

Selling & Administrative Expenses	4,735	+21.9%	+3.6%/year
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Revenue ratio	2.8%	+0 %	2.8%
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Profit before tax	20,365	+48.7%	+12.1%/year
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Tax rate	13.6%	+1.4 ppt
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Based on the tax rate in 1H2025, HPG benefits from tax incentives due to (1) being a producer of high-grade steel, and (2) investing in the Dung Quat Integrated Steel Complex in Quang Ngai Province, which has challenging socio-economic conditions.

Net profit after tax	17,600	+46.4%	+12.1%/year
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Net profit margin	10.4%	+1.7 ppt	14.6%
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Source: FPTTS forecast

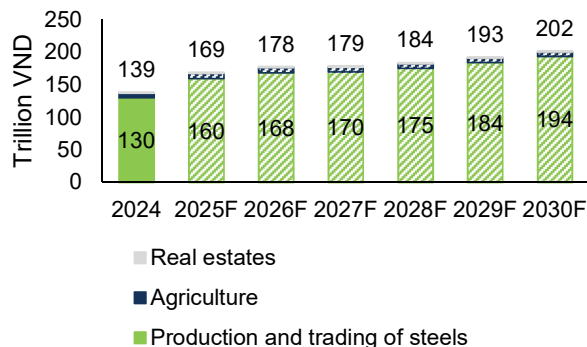
The above results correspond to strong growth in 2H2025, with consolidated net revenue projected at 95,938 billion VND (+40.2% YoY) and consolidated net profit after tax at 9,998 billion VND (+71.5% YoY), driven by:

Consumption volume: Total steel consumption volume in 2H2025 is forecasted to reach 5.4 million tons (+16.8% YoY). The largest contributor to this growth is HRC steel, expected to achieve a consumption volume of 2.1 million tons (+51.7% YoY). This projection is based on HPG's early commissioning of Phase 2 of the Dung Quat 2 Integrated Steel Complex on August 5, 2025, three months ahead of schedule. This has boosted HPG's total HRC steel capacity in 2H2025 to 8.6 million tons, up 48.3% from 1H2025 and 186.7% YoY.

Selling price and gross profit margin: Steel product selling price is expected to remain stable compared to 1H2025, with the gross profit margin reaching 16.5% (+3.2 ppt YoY), supported by continued declines in input material price. The net profit margin is projected at 9.7%, down 0.7 ppt from 1H2025, due to increased interest expenses from a significant rise in short-term borrowing to finance working capital for the Dung Quat 2 project. Short-term debt in 1H2025 reached 60,068 billion VND, up 14.2% from the end of 2024.

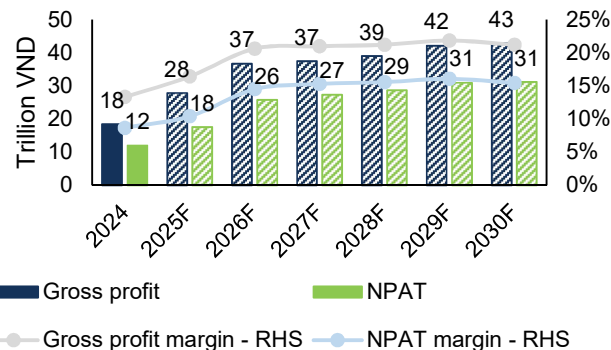
2025F–2030F Outlook: We forecast a CAGR of 3.6%/year for consolidated net revenue and 12.1%/year for consolidated net profit after tax, primarily driven by contributions from the Dung Quat 2 Complex amid favorable domestic construction conditions, which will support HRC steel consumption growth at +7.7%/year. The gross profit margin is expected to surge by 4.2 ppt YoY in 2026 to 20.6% and stabilize thereafter until 2030, as the Dung Quat 2 Complex achieves stable operations and input material price maintain their downward trend.

Chart 12: Forecasted HPG's consolidated revenue from 2025F to 2030F



Sources: HPG, FPTTS Research

Chart 13: Forecasted HPG's consolidated gross profit and NPAT from 2025F to 2030F



Sources: HPG, FPTTS Research

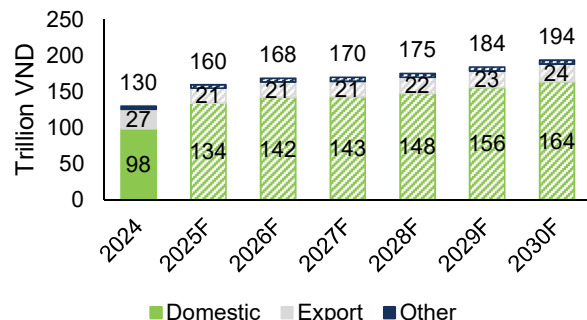
Compared to the [HPG's initial valuation report in June 2024](#), we adopt a more cautious approach to assumptions regarding steel consumption volume and selling price (particularly for HRC steel) due to increased competitive pressure from imported steel.

- (1) Net revenue and net profit after tax for 2025 are projected to decrease by -5.6% and -16.4%, respectively, compared to the initial report. This adjustment reflects the earlier expectation of +7.0% YoY growth in construction steel price and +10.5% YoY growth in HRC steel price driven by anticipated construction demand growth. However, actual 1H2025 price declined due to competitive pressure from imported Chinese steel.
- (2) In the period 2025F - 2030F, the CAGR for net revenue is forecasted to decrease by 3.8 ppt/year, while net profit after tax is expected to increase by +5.6 ppt/year compared to the initial assumptions. This reflects an 8.5 ppt reduction in the CAGR for HRC steel consumption due to ongoing anti-dumping duty evasion, forcing HPG to compete with imported steel. As a result, HRC steel consumption is projected to reach 71.1% of capacity by 2030 (compared to the initial expectation of reaching the full 8.6 million tons capacity). The CAGR for net profit after tax is raised to 12.1%/year through 2030, driven by expectations of continued declines in input material price (iron ore, coking coal, scrap steel), compared to the initial assumption that input price would rise from 2026F-2030F.

1. Steel production and trading: Revenue increased 23.0% YoY thanks to contribution from Dung Quat 2 Complex

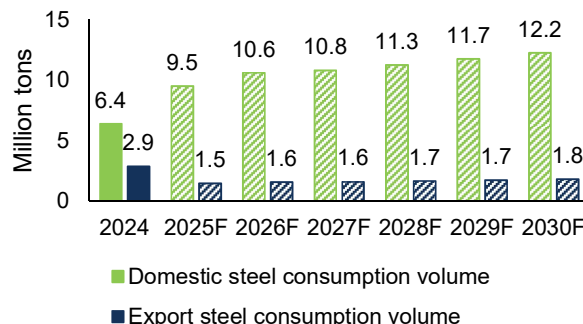
In 2025, the steel manufacturing and trading segment is projected to achieve a net revenue increase of +23.0% YoY (reaching 159,683 billion VND, accounting for 94.2% of total revenue), driven by: (1) The operational launch of the Dung Quat 2 Complex, boosting HRC steel consumption volume. (2) Sustained positive growth in the domestic construction market, driving demand for steel.

Chart 14: Forecasted revenue of production and trading of steels segment broken down by geography



Sources: HPG, FPTs Research

Chart 15: Forecasted volume of steel consumption broken down by geography

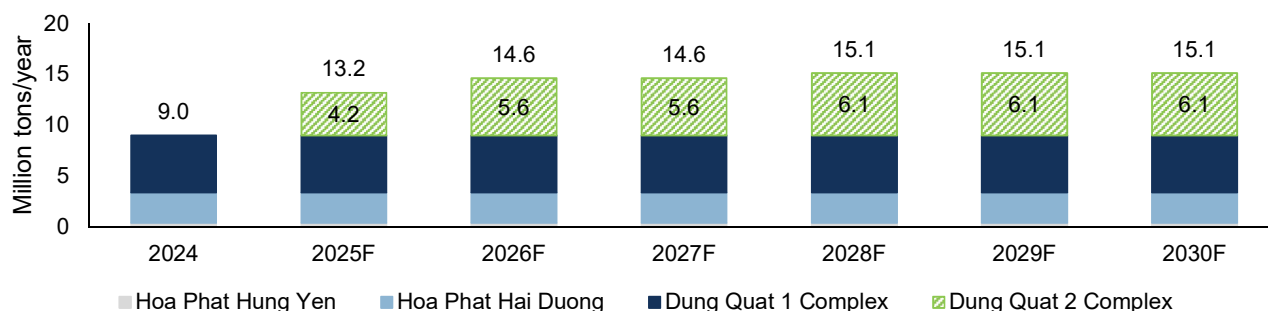


Sources: HPG, FPTs Research

1.1. Steel consumption volume in 2025 is expected to increase by 18.5% YoY thanks to Dung Quat 2 Complex coming into operation

In 2025, total steel consumption volume is projected to increase by +18.5% YoY, reaching 11.0 million tons, driven primarily by HRC steel from the additional capacity of the Dung Quat 2 project. Specifically, the Dung Quat 2 project is expected to boost HPG's crude steel capacity by +46.7% YoY to 13.2 million tons/year in 2025F. Additionally, HRC steel consumption volume is forecasted to rise by +46.5% YoY to 4.3 million tons, with the Dung Quat 2 project contributing an estimated 1.3 million tons, supported by favorable domestic market demand.

Chart 16: Total crude steel capacity is projected to increase +67.8% YoY thanks to Dung Quat 2 Complex



Sources: HPG, FPTs Research

We assess that the Dung Quat 2 project will be the primary driver for HPG's increase in consumption volume during the 2025F–2030F period. Specifically, by 2030, total steel consumption volume is projected to rise by 52.7% compared to 2024's actual performance. HRC steel is expected to contribute the most to this growth, driven by: (1) The domestic shortage of HRC steel supply. (2) The Ministry of Industry and Trade officially imposing anti-dumping duties on HRC steel imports with a width below 1,880 mm from China on July 4, 2025, with tariff rates ranging from 23.10% to 27.83%, effective until 2030

For the 2025F–2030F period, we forecast total steel consumption volume to grow at a CAGR of +5.1%/year, with the contribution from the Dung Quat 2 Complex alone achieving a CAGR of +19.5%/year.

Updated information

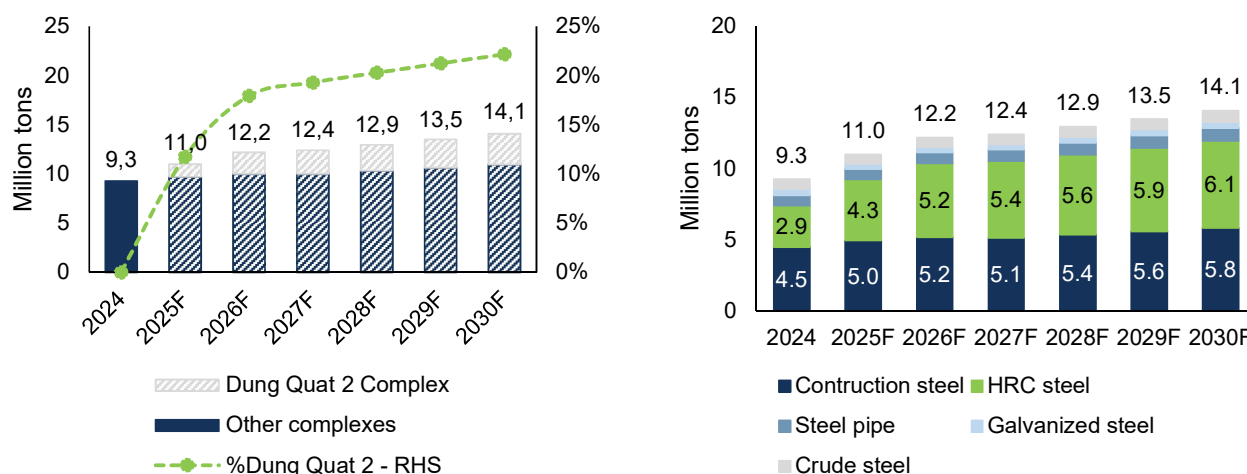
According to the latest update, on July 29, 2025, HPG was approved by the Quang Ngai Provincial People's Committee for an adjustment to increase the scale of the Dung Quat 2 project by +8.9% compared to the original plan (with total capacity rising from 5.6 million tons/year to 6.1 million tons/year). Of this, HRC steel capacity is 5.6 million tons/year, while the additional 500,000 tons/year will be used for construction steel (high-quality wire rod). Accordingly, the total investment capital for the entire project has increased from 85,000 billion VND to 88,400 billion VND.

Implementation progress

As of August 2025, HPG has put the entire HRC capacity into operation, with blast furnace no. 1 having been on trial run since the beginning of the year and blast furnace no. 2 having been ignited on August 5, 2025. The company expects the HRC steel capacity to operate stably by Q4/2026 and the additional construction steel capacity to come into operation in Q2/2028.

Chart 17: Total steel consumption is forecasted to grow at a CAGR of 5.1% over the 2025F – 2030F period

Forecasted total steel consumption, broken down by HPG's complexes from 2025F to 2030F *Forecasted total steel consumption, broken down by products from 2025F to 2030F*



Sources: HPG, FPTs Research

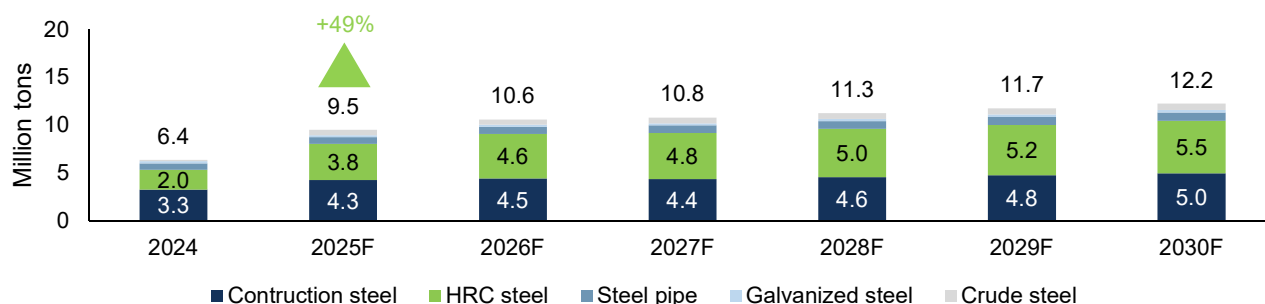
1.1.1. Domestic market: Positive outlook thanks to rising demand and the official imposition of anti-dumping duties on imported HRC steel ([back](#))

In 2025, we forecast total domestic steel consumption to grow by +48.8% YoY (reaching 9.5 million tons, accounting for 86.6% of total volume), driven by the recovery in construction demand (which accounts for an estimated 60% of annual domestic steel demand, according to the Ministry of Industry and Trade).

Within this, the largest contributions come from construction steel +29.3% YoY (4.27 million tons) and HRC steel +85.8% YoY (3.77 million tons). Other smaller product segments include steel pipes +4.9% YoY (716 thousand tons); coated steel sheets, -14.6% YoY (202 thousand tons); and billet steel +302.9% YoY (544 thousand tons).

For HRC in particular, domestic consumption is projected to surge by +85.8% YoY in 2025 thanks to (1) the commissioning of both phases of the Dung Quat 2 integrated steel project, and (2) the Ministry of Industry and Trade's official imposition of anti-dumping duties on imported Chinese HRC as of July 4, 2025.

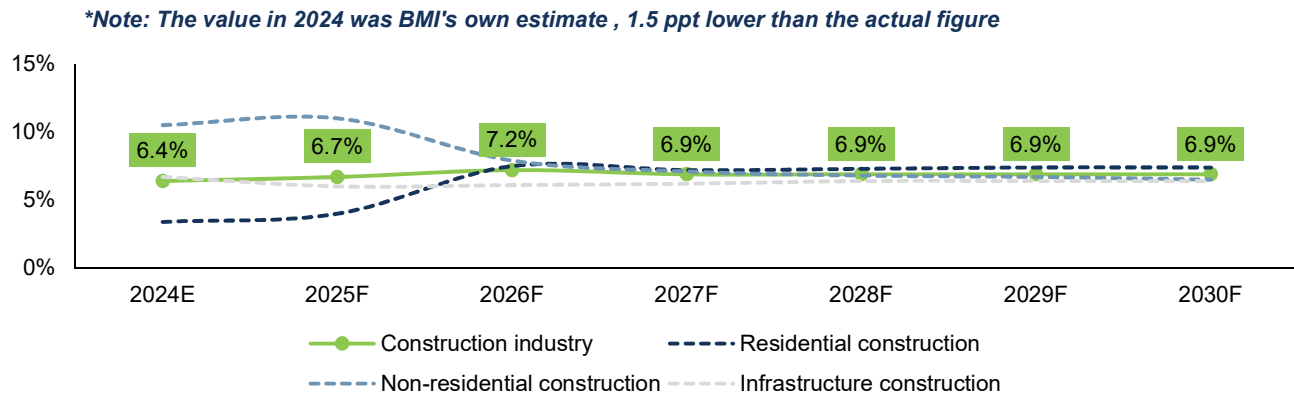
Chart 18: The domestic market is expected to remain the key driver of HPG's revenue growth



Sources: HPG, FPTs Research

According to FitchSolutions (BMI), the construction sector is projected to grow by 6.7% in 2025 (+0.3 ppt YoY), supported by expectations of improved construction permitting, favorable FDI inflows into Vietnam, and continued government efforts to boost infrastructure development.

Chart 19: BMI projects the construction industry's value to grow at a CAGR of 6.9%/year from 2025F to 2030F



Sources: BMI, FPTs Research

For residential construction, projected growth in 2025 is 4.0% (+0.6 ppt YoY), driven by (1) expectations that the revised Land Law will gradually take effect and positively impact the real estate market, and (2) improved construction permitting thanks to streamlined administrative processes and reduced procedures. These expectations have been partly reflected in the sharp increase in both the number and scale of newly licensed commercial housing projects in 1H2025.

For non-residential construction, BMI projects growth of 11.0% in 2025 (+0.5 ppt YoY), supported by improved land-use legal frameworks and favorable realized FDI. BMI expects Vietnam's FDI inflows to be boosted by the trend of investment relocation out of China amid U.S.-China trade tensions. According to the Ministry of Finance, realized FDI in Vietnam reached a five-year high of 13.6 billion USD in 7M2025 (+8.3% YoY).

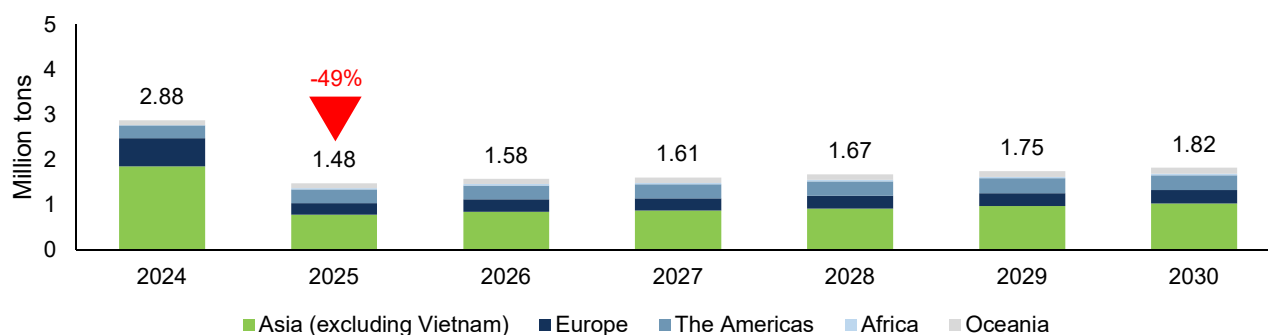
For infrastructure construction, public investment disbursement remains the key driver, with projected growth of 6.0% in 2025 (-0.5 ppt YoY). In 7M2025, cumulative public investment disbursement surged to 358,189 billion VND (+50.3% YoY), mainly due to several major infrastructure projects such as Long Thanh International Airport, Bien Hoa–Vung Tau Expressway, and Ho Chi Minh City's Ring Roads 3 and 4 entering peak construction phases.

For the 2025F–2030F period, we project the CAGR of total domestic steel consumption to reach +5.2% per year, mainly driven by domestic HRC steel consumption, which is expected to grow at +7.7% per year.

1.1.2. Export market: Remaining sluggish due to intensifying competition and the wave of trade protection [\(back\)](#)

In 2025, steel export consumption is projected to decline by -48.6% YoY (to 1.5 million tons, accounting for 13.4% of total volume) due to intensifying competition with Chinese steel and the wave of trade protection in the EU and the US. The largest contributions to this decline come from the Asian market (-58.0% YoY, accounting for 54% of export revenue in 1H2025) and the European market (-57.6% YoY, accounting for 19% of export revenue in 1H2025).

Chart 20: HPG's steel export volumes are expected to decline sharply due to competition from China's steel



Sources: HPG, FPTs Research

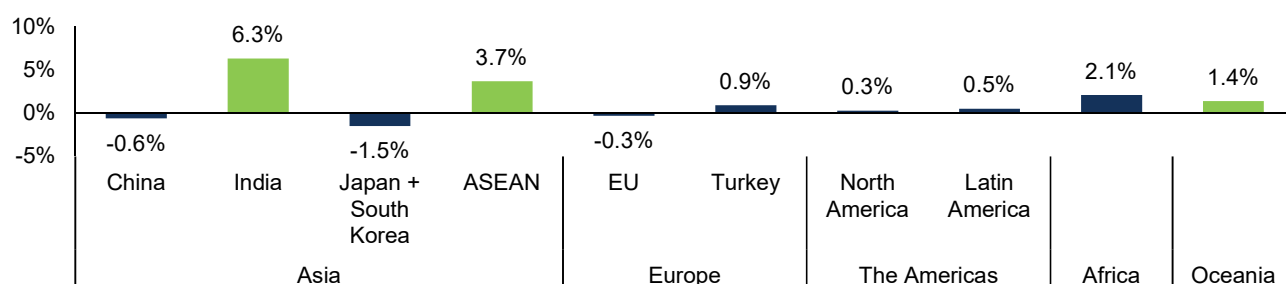
In 2025, export volume to the Asian market is projected to decline sharply by -58.0% YoY (780 thousand tons), while China's steel export volume is expected to rise to 120.4 million tons (+8.8% YoY) due to sluggish domestic demand amid the ongoing real estate market crisis. In addition, trade protection policies by the US and EU against Chinese steel have pushed China to shift its exports to key markets of HPG, such as the Middle East and Southeast Asia. This is expected to negatively impact HPG's export performance, as Chinese steel holds a price advantage, potentially forcing the company to cut price to stay competitive.

In the European market, export volume in 2025 is projected to decline by -57.6% YoY (262 thousand tons). On March 25, 2025, the European Commission (EC) issued Decision No. 2025/612 to reduce the EU's steel import quotas (including HRC) until Q2/2026, with notable adjustments: (1) setting import caps by country, (2) lowering the liberalization rate (annual quota increase) from 1%/year to 0.1%/year, and (3) eliminating the quota transfer mechanism ([details](#)). Accordingly, we estimate that the maximum HRC steel volume Vietnam can export to the EU in 2025 will be 457 thousand tons, equivalent to a 62.5% YoY decline, which will negatively affect HPG's HRC export volume to this market.

For the 2025F–2030F period, we project HPG's steel export volume CAGR at +4.3% per year, supported by expectations that China will reduce its steel exports following industry restructuring. According to the Association for Iron and Steel Technology (AIST), China's steel exports are projected to fall to 40 million tons by 2030 (2025F–2030F CAGR of -19.8% per year) as the country pushes production cuts. Meanwhile, the Organization for Economic Cooperation and Development (OECD) forecasts that global steel demand growth will slow and gradually shift toward developing regions such as India, Southeast Asia, and Oceania (which are key export markets for HPG). Accordingly, HPG's export activities are expected to gradually improve, with projected 2025F–2030F CAGR of export consumption by market as follows: Asia (+5.7%/year), Europe (+2.5%/year), the Americas (+2.3%/year), Africa (+4.0%/year), and Oceania (+3.3%/year).

Chart 21: Global steel demand is forecasted to gradually shift toward developing regions

Forecasted CAGR of world steel demand from 2025F to 2030F, broken down by region



Sources: OECD, FPTs Research

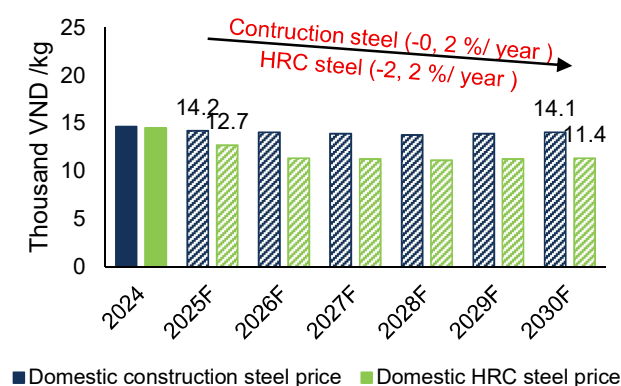
1.2. Selling price: Maintain a downward trend in both domestic and export markets due to pressure from Chinese steel

In 2025, we project that the average selling price of HPG's steel products will decline in both the domestic and export channels due to competitive pressure from Chinese steel. Export steel price, in particular, is expected to experience a sharper decline, as they face the dual negative impact of China ramping up steel exports and weakening demand in key markets due to the wave of trade protection. Specifically, the projected selling price for HPG's main products in 2025 are as follows:

- **Domestic market:** Construction steel -3.0% YoY, HRC steel -12.4% YoY, while steel pipes +2.3% YoY.
- **Export market:** Construction steel -3.6% YoY, HRC steel -9.3% YoY, and steel pipes -16.1% YoY.

Chart 22: HPG's steel selling price is projected to maintain a declining trend over the 2025F–2030F period

Projected domestic price of construction steel and HRC steel for the 2025F – 2030F period



Sources: HPG, FPTs Research

Projected export price of construction steel and HRC steel for the 2025F – 2030F period



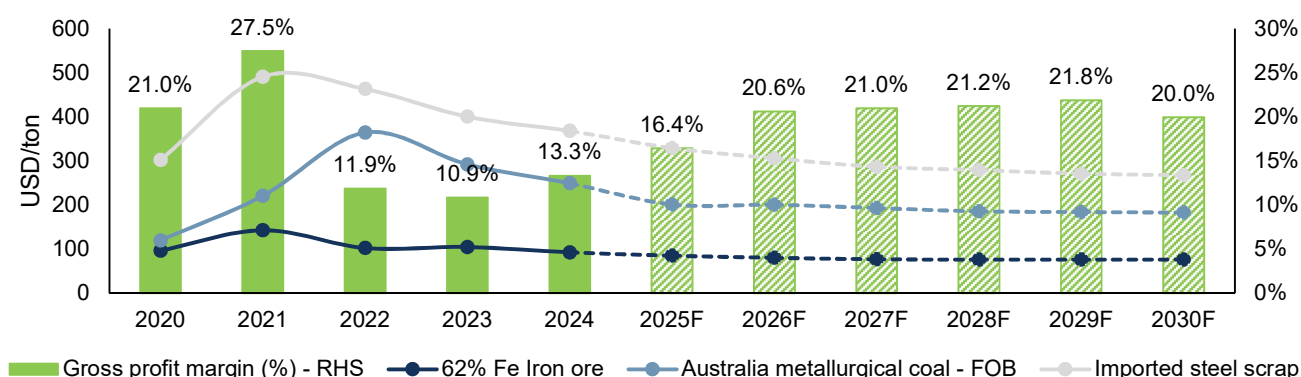
Sources: HPG, FPTs Research

For the period 2025F – 2030F, we expect the decline in steel selling price to slow down as pressure from Chinese steel is projected to ease, with the forecast CAGR of selling price for the two main products being construction steel (domestic: -0.2%/year; export: -1.0%/year) and HRC steel (domestic: -2.2%/year; export: -1.0%/year).

1.3. Gross margin: Expected to maintain its upward trend thanks to the continued downward trend in input material price [\(return\)](#)

In 2025, we project HPG's gross margin will improve to 16.4% (+3.1ppt YoY), supported by the expectation that input material price will continue to decline and at a faster pace than selling price. This is mainly driven by China (accounting for 50% of global steel consumption), where demand is expected to keep retreating during 2025F – 2030F as the real estate market remains in crisis and the government has announced a steel industry restructuring plan targeting a reduction of 50 million tons of crude steel per year (equivalent to 5.0% of 2024 volume) by 2030. Specifically:

Chart 23: Input material price is forecasted to remain on a downward trend, improving HPG's profit margin



Sources: DISR, FPTs Research

For iron ore, according to DISR's forecast, price is expected to decline by -8.2% YoY (to 85 USD/ton) in 2025 and continue decreasing by -3.2% per year until 2030.

For coking coal, DISR projects steelmaking coal price will fall by -19.3% YoY (to 201 USD/ton) in 2025 and by -1.9% annually through 2030. In addition to lower demand from China, coking coal demand is also constrained by the accelerating shift from basic oxygen furnaces (BOF) to electric arc furnaces (EAF) in the EU to reduce CO2 emissions.

For scrap steel, import price in 2025 is also expected to decrease by -10.5% YoY (to 329 USD/ton), in line with the decline of the two input materials above. Accordingly, we forecast the CAGR of scrap steel price for the period 2025F – 2030F at -4.1% per year.

For the period 2025F – 2030F, we project HPG's gross margin to continue improving to 20.0% – 21.8% thanks to the ongoing downward trend in input material costs. Gross margin is expected to further expand by +4.2ppt YoY in 2026 when Dung Quat 2 Integrated Steel Complex operates for the full year, and then remain flat afterward as production stabilizes.

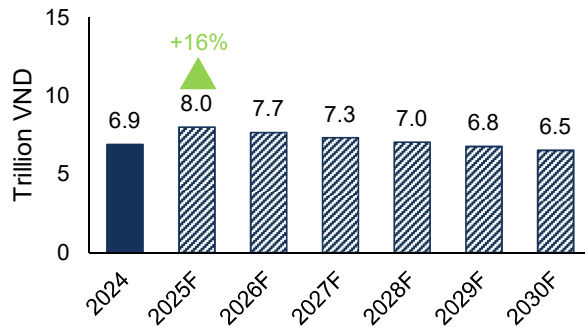
2. Agriculture: Growth in 2025 is expected to be positive thanks to the recovery in commercial hog price

In 2025, HPG's agricultural revenue is projected to grow +15.9% YoY (reaching 8,009 billion VND, accounting for 4.7% of total revenue), driven by hog farming activities (estimated to account for 50.4% of HPG's agricultural revenue in 2024).

According to the General Statistics Office, hog volume in 1H2025 is estimated to increase +5.9% YoY (to 2.7 million tons). Despite a modest recovery in supply, average hog price in 1H2025 still rose sharply by +18.3% YoY (70,960 VND/kg) due to (1) the national hog herd being reduced in 2024 after outbreaks of African swine fever in many provinces and (2) higher hog demand during the Lunar New Year. Based on these dynamics, we project HPG's hog consumption and average hog price in 2025 to reach +6.1% YoY (600,000 heads) and +18.3% YoY (73,041 VND/kg), respectively, in line with the overall hog farming sector performance in 1H2025.

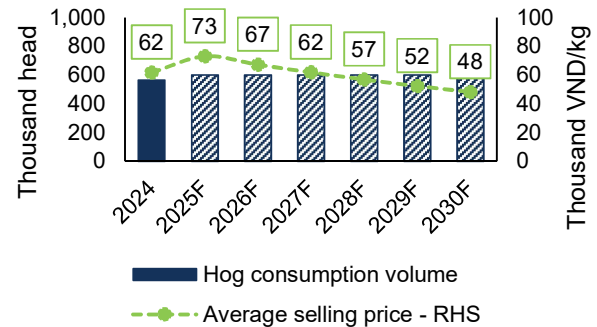
For the period 2025F – 2030F, we project that agricultural revenue will gradually decline with a CAGR of -4.0% per year as hog supply is expected to increase with the gradual containment of diseases.

Chart 24: Agriculture segment's revenue is forecasted to grow positively in 2025



Sources: HPG, FPTs Research

Chart 25: HPG's average hog price is projected to gradually decline over the 2025F – 2030F period



Sources: HPG, FPTs Research

3. Real estate: Driven by additional leasable area from Yen My II IP (Phase 2)

In 2025, we project net revenue from real estate to decline -16.2% YoY (1,779 billion VND, accounting for 1.1% of total revenue) from the high base of 2024, with HPG's new leasable area in 2025 falling -19.7% YoY (46 hectares), equivalent to 25% of Yen My II IP (Phase 2), while rental price remains flat at +1.0% YoY (32.1 million VND/ha). The decline in leasable area comes as (1) no land is left for lease in Pho Noi A, Hoa Mac, and Yen My II IP (Phase 1), with occupancy rates nearly reaching 100% in 2024, and (2) new leased area in 2024 already surged 149.1% YoY thanks to the completion of Yen My II IP (Phase 2), which added 230 hectares of leasable area.

For the period 2025F – 2030F, we project real estate revenue will show a mild upward trend with a CAGR of 0.9% per year, assuming new leasable area remains flat compared to 2025.

IV. INVESTMENT RISK [\(back\)](#)

1. Competition from large-width HRC imports from China circumventing anti-dumping duties in Vietnam

According to the Ministry of Industry and Trade, after the provisional anti-dumping duties were imposed in February 2025 on imported HRC products with a width of less than 1,880 mm from China, there has been circumvention as many importers shifted to bringing in HRC with widths ranging from 1,880 mm to 2,100 mm. As a result, imports of large-width HRC into Vietnam surged sharply, reaching 650 thousand tons, 16 times higher than the same period in 1H2025. If this situation persists, it could negatively impact on HPG, as Chinese steel holds a price advantage, thereby reducing HPG's ability to sell HRC and slowing down the capital recovery process of the Dung Quat 2 project. This factor is also the main reason why we revised down our revenue forecast for HPG compared to the assumptions in our initial valuation report in June 2024.

2. Progress of the rail steel plant at Dung Quat 2 Complex

We have not yet incorporated this project into our earnings forecast and will only update when more concrete information is available, as the following points remain estimates and the North-South high-speed railway project is still in the site clearance phase.

On May 29, 2025, HPG signed a contract with SMS Group to supply a rail and structural steel production line with a capacity of 700,000 tons/year to serve the North-South high-speed railway project. The line is expected to be fully installed within 20 months and commence operations in Q1/2027. With this move, Hoa Phat Group will become the only enterprise in Southeast Asia capable of producing rail steel for high-speed railways. According to HPG, the production line was officially commenced on August 19, 2025, at the Dung Quat 2 Complex.

We estimate this line could generate an additional 10–12 trillion VND in annual revenue for HPG (equivalent to 7–9% of 2024 revenue), based on: **(1)** the expected steel grade being UIC60 rail steel, aligned with the speed and specifications of the North-South high-speed railway project under International Union of Railways (UIC) standards, with current selling price of 600–700 USD/ton (reference: Hebei Yongyang Iron & Steel Group – the largest rail steel producer in China); **(2)** estimated total steel demand of the North-South high-speed railway project of around 10 million tons (according to Chairman Tran Dinh Long); and **(3)** Hoa Phat being the only domestic company qualified to supply for the project.

V. Valuation Summary and Recommendation [\(back\)](#)

We recommend **BUY** with a target price of **33,250 VND per share**, representing an upside of **15.4%** compared to the closing price on September 5, 2025, based on a 50:50 weighting of the Free Cash Flow to Firm (FCFF) and Free Cash Flow to Equity (FCFE) valuation methods.

No.	Valuation method	Result	Weight
1	Free Cash Flow to the Firm (FCFF)	33,134	50%
2	Free Cash Flow to Equity (FCFE)	33,356	50%
Valuation results (rounded)		33,250	

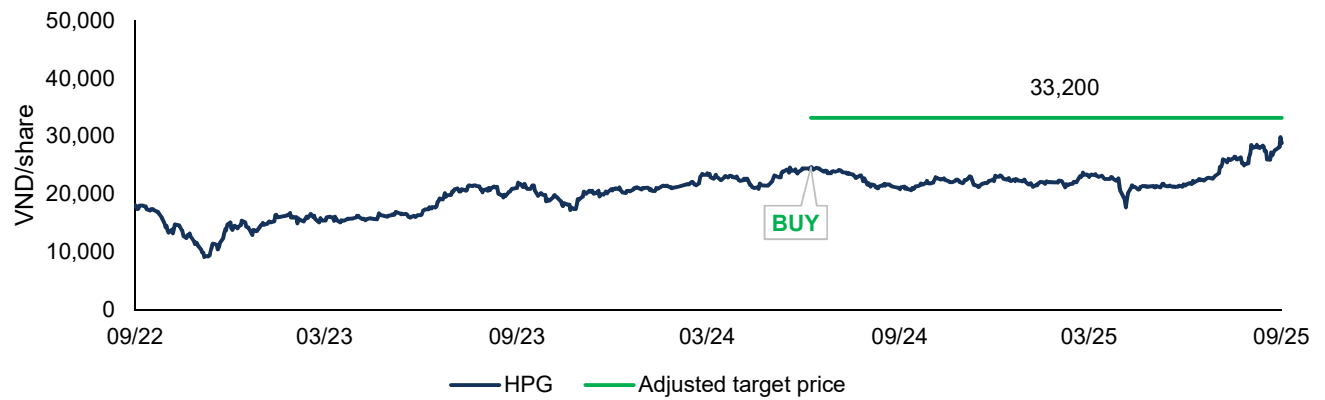
ASSUMPTIONS UNDER DISCOUNTED CASH FLOW METHOD

Model assumptions	Sep/2025	Change from June/2024	Model assumptions	Sep/2025	Change from June/2024
Cost of equity	16.77%	+1.13 ppt	Market risk premium	10.35%	-0.01 ppt
WACC 2025	11.27%	-0.55 ppt	Long-term growth	2.0%	-
5 year risk free rate	2.85%	+0.27 ppt	Projected Period	6 years	-1 year
Unleveraged Beta	0.83	+0.05			

VALUATION RESULTS BY DISCOUNTED CASH FLOW METHOD

FCFF valuation summary	Value
Total present value of free cashflow to the firm (million VND)	313,120,340
(+) Cash, cash equivalents & Short-term financial investments (million VND)	25,862,363
(-) Short-term debts and long-term debts (million VND)	82,963,130
Equity (million VND)	256,019,573
Number of outstanding shares (million shares)	7,675
Target price (VND/share)	33,356

FCFE valuation summary	Value
Present value of free cash flow to equity	254,315,792
Target price (VND/share)	33,134

Chart 26: Recommendation history


Sources: FPTTS Research

No.	Recommendation	Time	Adjusted recommended price	Detailed report
1	BUY	06/24	33,200	Initial Valuation Report

SUMMARY OF FINANCIAL STATEMENTS

Income statement	2023A	2024A	2025F	Balance sheet	2023A	2024A	2025F
Net revenue	118,953	138,855	169,332	Asset			
- Cost of goods sold	(106,015)	(120,358)	(141,506)	+ Cash, equivalents and short term financial investments	34,429	25,862	50,181
Gross profit	12,938	18,498	27,826	+ Accounts receivable	10,702	7,648	9,326
- Selling expenses	(1,961)	(2,337)	(2,850)	+ Inventory	34,504	46,091	57,303
- General & Administrative expenses	(1,307)	(1,546)	(1,885)	+ Other short-term assets	3,081	7,073	8,316
Net operating profit	9,669	14,615	23,091	Total current assets	82,716	86,674	125,126
- (Loss)/Gain of financing activities	(1,082)	940	467	+ Original price of fixed assets	72,592	67,988	62,353
- Other profits	142	426	520	+ Accumulated depreciation	108,140	109,374	111,317
Earnings before tax and interest (EBIT)	8,729	15,981	24,078	+ Remaining value of fixed assets	(35,548)	(41,386)	(48,964)
- Interest expenses	(937)	(2,287)	(3,712)	+ Long-term financial investments	40	137	137
Profit before tax (PBT)	7,793	13,694	20,365	+ Other long-term assets	6,335	5,940	7,230
- Corporate income tax	(992)	(1,673)	(2,766)	+ Basic construction in progress	26,099	63,751	63,751
Net profit after tax (NPAT)	6,800	12,020	17,600	Total long-term assets	105,066	137,815	133,470
- Minority interests	(35)	(1)	(90)	Total Assets	187,783	224,490	258,596
NPAT of parent company	6,835	12,021	17,689				
EPS (VND)	1,117	1,751	3,457	Debt & Equity			
EBITDA	14,409	23,005	31,655	+ Accounts payable	15,156	18,315	21,534
Depreciation	5,680	7,024	7,578	+ Short-term loans and debts	54,982	55,883	71,141
Revenue growth	-15.9%	16.7%	21.9%	+ Reward fund	1,375	1,027	1,027
Operating profit growth	-26.1%	51.1%	58.0%	Short-term liabilities	71,513	75,225	93,702
EBIT growth	-27.9%	83.1%	50.7%	+ Long-term loans and debts	10,399	27,080	23,786
				+ Other long-term payables	3,034	7,537	8,861
Profitability ratios	2023A	2024A	2025F	Long-term debts	13,433	34,617	32,647
Gross profit margin	10.9%	13.3%	16.4%	Total debts	84,946	109,842	126,349
Net profit margin	5.7%	8.7%	10.4%	+ Surplus	3,212	0	0
ROE DuPont	6.9%	11.1%	14.4%	+ Charter capital	58,148	63,963	51,170
ROA DuPont	3.8%	5.8%	7.3%	+ Retained earnings	40,593	49,599	80,081
EBIT / revenue	7.3%	11.5%	14.2%	Equity	102,836	114,647	132,247
NPAT / PBT	89.3%	85.7%	84.6%	Minority interests	66	291	201
NPAT / EBIT	87.7%	87.8%	86.9%	Total capital	187,783	224,490	258,596
Total asset turnover	0.66x	0.67x	0.7x				

Financial leverage 1.8x 1.9x 1.96x

Efficiency ratios	2023A	2024A	2025F
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Days Sales Outstanding	31.60	24.12	18.29
Days Inventory Outstanding	118.77	122.21	133.35
Days Payables Outstanding	49.89	50.75	51.39
Cash conversion cycle	100.48	95.57	100.25
COGS / Inventory	3.07	3.49	3.07

Solvency ratios	2023A	2024A	2025F
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Current ratio	1.16x	1.15x	1.34x
Quick ratio	0.67x	0.54x	0.72x
Cash ratio	0.48x	0.34x	0.54x
Debts / Assets	0.45x	0.49x	0.49x
Debts / Equity	0.83x	0.96x	0.96x
Short-term debts / Equity	0.7x	0.66x	0.71x
Long-term debts / Equity	0.13x	0.3x	0.25x
Interest coverage	9.32x	6.99x	6.49x

Cash flow	2023A	2024A	2025F
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Beginning cash	34,593	34,429	25,862
NPAT	7,233	12,757	17,600
+ Depreciation	6,774	6,916	7,578
+ Adjustments	(1,094)	109	0
+ Change in working capital	(4,270)	(13,173)	(10,881)
Cash flow from operating activities	8,643	6,608	14,297
+ Proceeds from disposals of assets	206	1,254	0
+ Purchase of fixed assets	(17,374)	(35,495)	(1,942)
+ Other investing activities	5,172	4,453	0
Cash flow from investing activities	(11,995)	(29,788)	(1,942)
+ Dividends paid	7,285	17,587	11,964
+ Increase (decrease) capital	1	233	0
+ Change in short-term debts	(8)	(5)	0
+ Change in long-term debts	(2)	(0)	0
+ Other financing activities	7,276	17,815	11,964
Cash flow from financing activities	3,924	(5,365)	24,319
Net cash increase	4	1	0
Ending cash	34,429	25,862	50,181

Unit: Billion VND

VI. APPENDIX

Appendix: Estimate of the maximum volume of HRC steel Vietnam can export to the EU in 2025 before being subject to safeguard duties [\(back\)](#)

The EU's steel quotas are currently divided by product groups. HRC steel falls into the group “Non-Alloy and Other Alloy Hot-Rolled Sheets and Strips” (flat hot-rolled products), designated as product code 1A. On March 25, 2025, the European Commission issued Decision No. 2025/612 to amend certain provisions of Decision No. 2024/1782, which was previously issued on June 24, 2024. In addition to several key points highlighted in our business analysis, this decision also adjusted the maximum quota for Vietnamese HRC steel exports to the EU for 2025. If exports exceed this quota, each subsequent HRC product exported from Vietnam to the EU will be subject to a 25% safeguard duty.

The EU classifies Vietnam within the “Other countries” group, for which the maximum quota per country in this group is set at 13% of the total quota for product group 1A. Therefore, to estimate the maximum volume Vietnam can export to the EU in 2025 before safeguard duties apply, we aggregate the total quota allocated to the “Other countries” group as follows:

Table 2: Total maximum quota for product 1A of the “Other countries” group exported to the EU in 2025

Product 1A Quota (ton)	Q1/2025	Q2/2025	Q3/2025	Q4/2025	2025
Previous quota (according to Decision No. 2024/1782)	925,107	935,386	955,122	955,122	3,770,737
New quota (according to Decision No. 2025/612)	925,107	856,770	867,051	867,051	3,515,979

Source: European Commission (EC), FPTs research

From this, we estimate the maximum volume of HRC steel that Vietnam can export to the EU in 2025 before being subject to safeguard tariffs as follows:

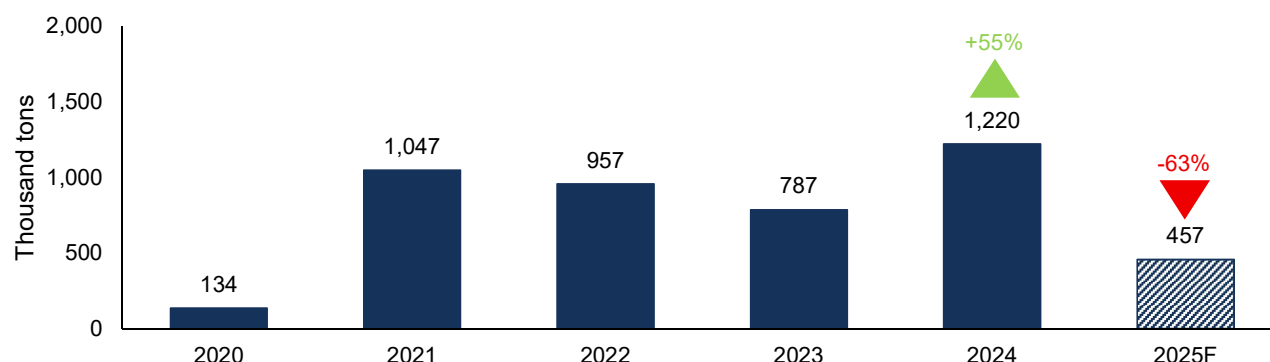
Table 3: Vietnam’s maximum export quota to the EU before safeguard tariffs in 2025

Product quota (tons)	Q1/2025	Q2/2025	Q3/2025	Q4/2025	2025
1A	120,264	111,380	112,717	112,717	457,077

Source: European Commission (EC), FPTs research

Accordingly, the maximum volume of HRC steel that Vietnam can export to the EU in 2025 before being subject to safeguard tariffs is expected to decline sharply to 457 thousand tons, equivalent to a 62.5% YoY decrease.

Chart 27: Vietnam's HRC steel export volumes to the EU are projected to decline sharply in 2025



Sources: Eurostat, FPTs Research

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