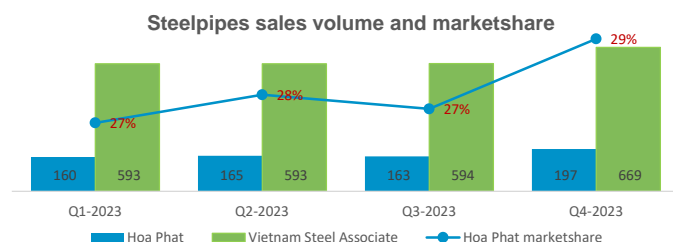
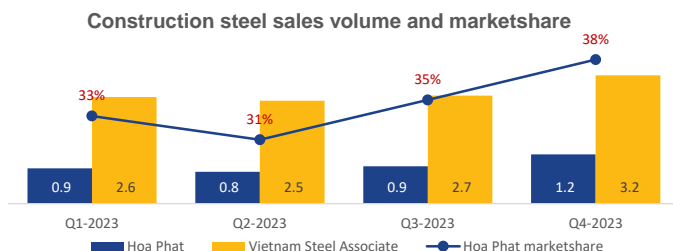
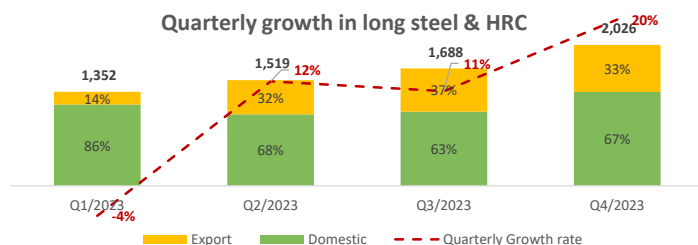
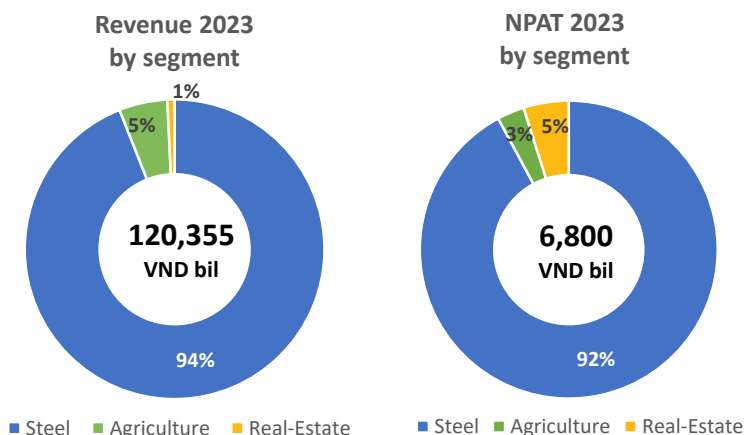


Q4 - 2023



QUARTER SUMMARY - Q4-2023



Q4-2023 financial performance

Hoa Phat's consolidated revenue for Q4-2023 was VND 34,925b, went up by VND 8,713b, equivalent to 33% compared with Q4-2022 (VND 26,212b), increasing by 21% over Q3-2023. Net profit after tax (NPAT) was VND 2,969b, increasing by VND 4,968b compared to Q4-2022 and by 968b, equivalent to 48% compared to Q3-2023.

Steel segment accounted for the largest proportion with the contribution of 94% and 92% respectively to the Group's consolidated revenue and profit after tax, followed by 5% revenue contributed by Agriculture and 5% NPAT contributed by Real Estate.

Hoa Phat's sales volume and market share has grown gradually by each quarter and reach the highest level in Q4-2023.

Hoa Phat's total crude steel consumption for Q4-2023 was 2.105 million tons, including 1.2 million tons construction steel, 813 thousand tons hot rolled coil. Total sale volumes for these two products increased by 20% compared to Q3-2023. Steel pipes and steel sheets sale volumes were 196 and 89 thousand tons, respectively.

Hoa Phat produced 6.7 million tons of crude steel in 2023, down by 10% compared to 2022. Total sales volumes of HRC, construction steel, PC steel and billet reached 6.72 million tons, down by 7% over 2022. Construction steel and high quality steel sale volumes reached 3.78 million tons, down by 11% over the corresponding period last year. HRC sales was recorded at almost 2.8 million tons, increasing by 6% compared to those of 2022. Though the total consumption for the whole year was lower than previous year, in terms of trend, the Group's steel business picture at the year end was less gloomy than first quarter and has gradually gotten brighter as sales volume went up by each quarter and reached its best in Q4-2023 from both domestic and export markets.

Q4-2023

TOTAL ASSETS

187,783 VNDb
7,696 USDm

TOTAL EQUITY

102,836 VNDb
4,215 USDm

REVENUE

34,925 VNDb
1,431 USDm

EBITDA

7,969 VNDb
327 USDm

NPAT

2,969 VNDb
122 USDm

QUARTER SUMMARY - Q4-2023

Financial Highlights

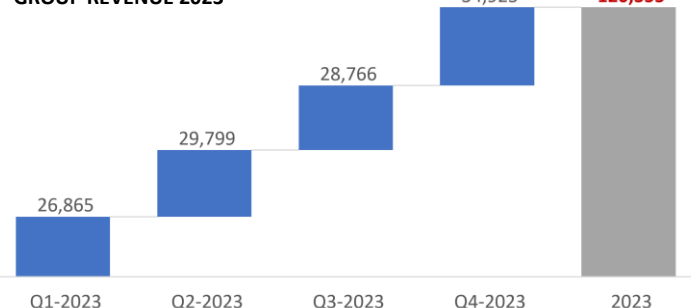
		Q4-23	Q4-22	2023	2022
Revenue	VNDb	34,925	26,212	120,355	142,771
COGS	VNDb	29,912	26,711	106,015	124,646
Gross profit	VNDb	4,472	(885)	12,938	16,763
Gross margin	%	13%	-3%	11%	12%
EBITDA	VNDb	7,969	3,024	19,758	23,722
EBITDA margin	%	23%	12%	16%	17%
NPAT	VNDb	2,969	(1,999)	6,800	8,444
Net margin	%	9%	-8%	6%	6%
Total assets	VNDb			187,783	170,336
Total equity	VNDb			102,836	96,113
ROA	%			4%	5%
ROE	%			7%	9%

(Sources: <https://www.hoaphat.com.vn/investor-relations/financial-report>)

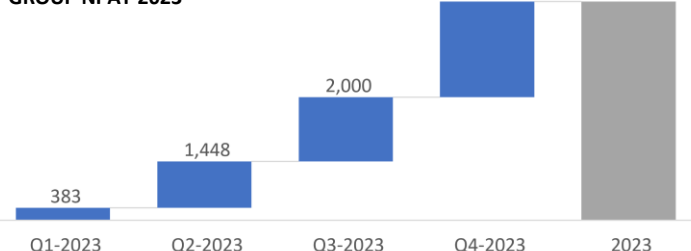
This optimistic signals came from supportive policies by Government to remove difficulties, promote economic growth and public investment, especially in the field of transport infrastructure. While total market consumption in Q4-2023 increased by 19% compared to the previous quarter, the Hoa Phat's construction steel sale volumes increased by more than 32%, lifting Hoa Phat's domestic construction steel market share from 33% in Q1-2023 to 38% in Q4-2023. The market share of steel pipes has also increased from 27% to 29%. This improvement increases the proportion of domestic crude steel consumption from 63% in Q3-2023 to 67% in Q4-2023. Regarding exports, Hoa Phat has continued to diversify its consumer markets by expanding to 39 countries and territories worldwide. Total export volumes has increased sharply since Q2-2023 and continues to increase further this quarter. Export revenue accounts for 30% of the Group's total consolidated revenue.

There was no clear breakthrough growth for the steel industry, but a gradual improvement trend has been recorded in 2023.

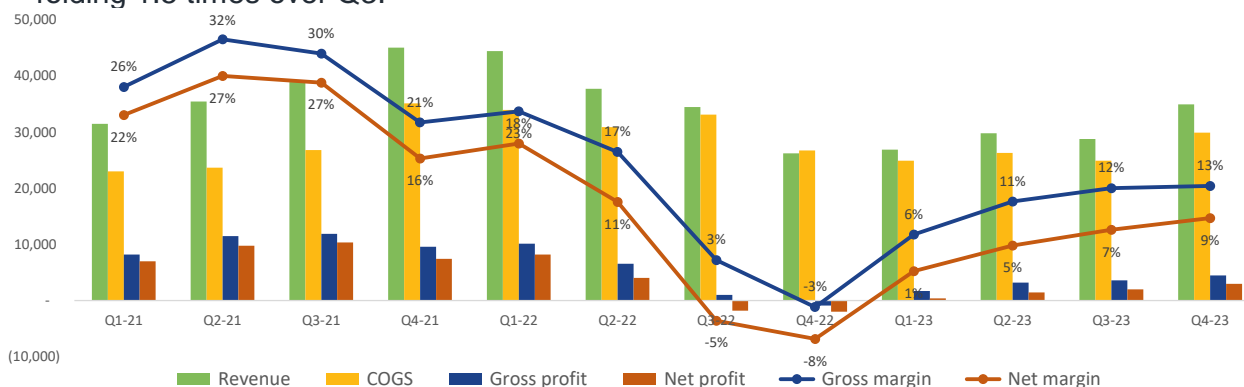
GROUP REVENUE 2023



GROUP NPAT 2023

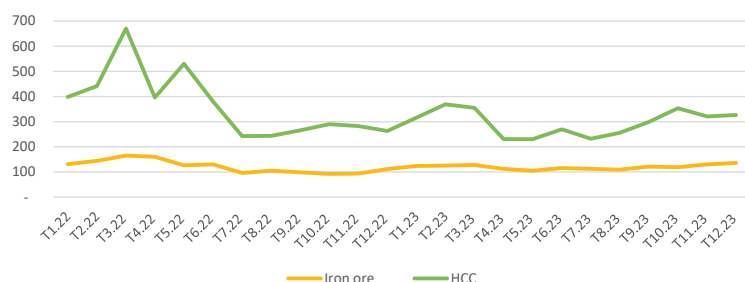


In 2023, in the context of general difficulties for the whole economy, Vietnam's industrial and construction sector growth rate was low at 3.74%, causing the steel industry to continue to be quiet and not have significant improvements in consumption demand. Hoa Phat's total consolidated revenue and profit after tax in 2023 reached 120,356 VNDb and 6,800 VNDb respectively, decreasing by 16% and 19% compared to 2022. However, looking at the trend, the Group has come over the bottom of the recession period in Q4-2022 and entered the recovery cycle. 2023 profits were thickened by each quarter with the highest number in Q4-2023, folding 1.5 times over Q3.



QUARTER SUMMARY - Q4-2023

Steel, coal and iron ore prices 2022 - 2023

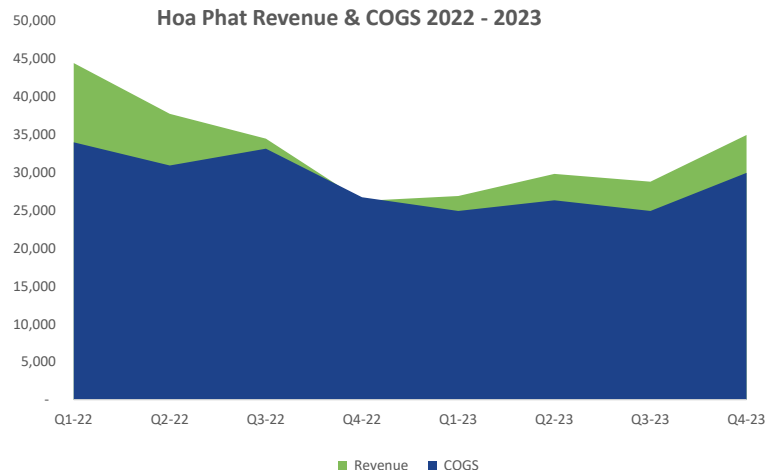


Hoa Phat gross profit margin increased from 6% to 13%, net profit margin increased from 1% to 9% from Q1-2023 to Q4-2023. On average for the whole year, the consolidated net profit margin of 2023 is equivalent to 2022. Although the industry's depression last longer than usual, the Group has been still steadily growing step by step.

Despite the negative effects from the Chinese steel industry's poor results against market's expectation with a decrease in crude steel consumption for Q4-2023 by 14.9% compared to Q4-2022, steel price in Vietnam market has started to go up with 4 consecutive upward adjustments from October 2023, partially offset with resistance from the long downward trend since Q1-2023, along with bigger sale volumes, has increased Hoa Phat revenue by more than 20% compared to the previous quarter.

The expectation factor on Chinese market has put coal and iron ore prices in a tense position as they experience many increases and decreases with small amplitudes. However, overall, raw material prices have not had too many major fluctuations in 2023. Fuel shocks after the 2022 geopolitical crisis have gradually subsided. Full operation of the blast furnace this Q4-2023 also helps reduce the burden of depreciation costs in the unit cost of the product compared to the early part of this year. Especially in Q4-2023, Hoa Phat's Dung Quat complex has achieved 100% electricity self-sufficiency, significantly reducing energy costs in the price of produced steel products.

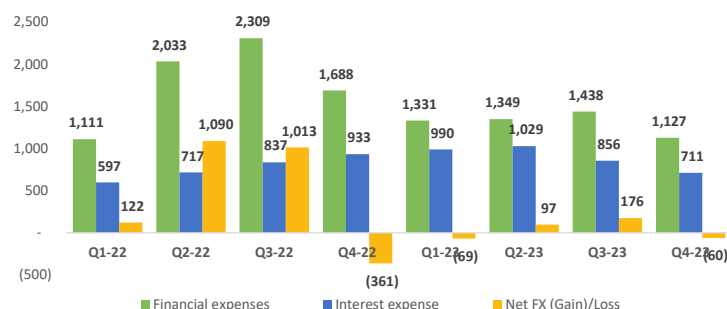
Hoa Phat Revenue & COGS 2022 - 2023



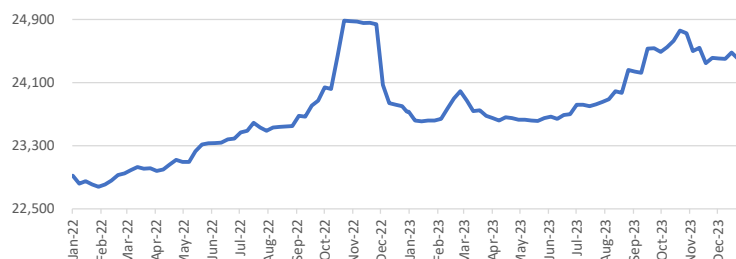
While Hoa Phat's sales revenue for Q4-2023 increased by 6,133 VNDb, the cost of goods and finished products sold increased only by 5,406 VNDb. Good production cost is therefore still an important factor to help thicken profit margins this quarter. In addition, the increase in selling price exceeding the NRV of inventory was the basis to reverse the previously inventory provision, reducing the pressure on the cost of goods sold by 150 VNDb, increasing gross profit in Q4-2023 by 24%, equivalent to an increase of 877 VNDb compared to the previous quarter. The Group's gross profit margin was slightly increased from 12% to 13% this quarter. With the stability of overhead cost, the net profit margin also increased from 7% to 9%.

QUARTER SUMMARY - Q4-2023

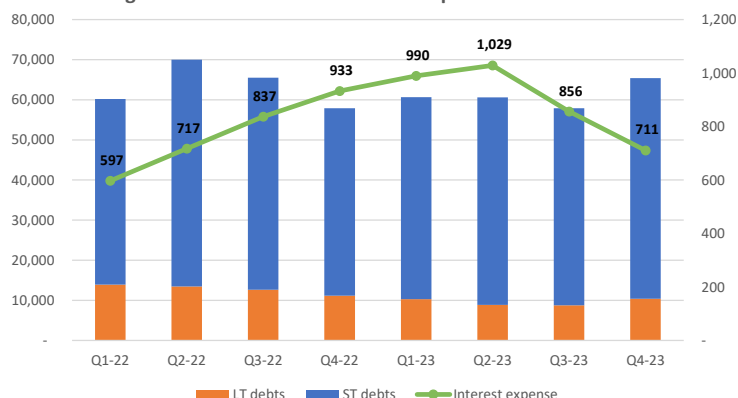
Hoa Phat financial expenses 2022 - 2023



USD exchange rate fluctuations 2022 - 2023



Changes in loan balance and interest expenses 2022 - 2023

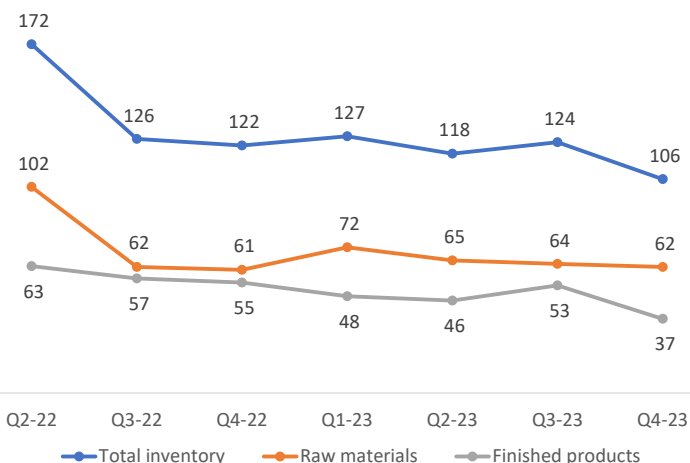


Financial costs were significantly reduced from both borrowing cost and FX.

Q4-2023, Hoa Phat recorded financial expenses at 1,127 VNDb, down by 311 VNDb, equivalent to 22% compared to Q3-2023 (1,438 VNDb) and by more than 1/3, equivalent to 561 VNDb compared to corresponding period last year. After offsetting against foreign exchange gains reflected in financial income, Hoa Phat's actual financial cost was 795 VNDb, lower than 1,032 in the previous quarter. This is largely explained by the decrease in interest expenses. The FED's hawkish policy hasn't been loosened yet and USD borrowing cost has remained high. On the contrary, VND interest rates have been maintained at a more comfortable level. As loan structure was less depending on USD source, interest expenses has been moving down and recorded at the lowest of the year in Q4-2023 at 711 VNDb, lower by 145 VNDb, equivalent to a decrease of 17% compared with previous quarter while outstanding loans increased 13% from 57,900 VNDb to 65,381 VNDb.

The USD has strengthened compared to most other currencies in the world, including VND, causing an escalation of USD price from Q2-2023, lasting until Nov-2023 and decreasing slightly in last 2 months of 2023. The USD rate chart in Q3 has also become much more rugged than Q2, showing a wide range of fluctuations in each increase and decrease step, even stronger than corresponding period last year. Realized gain and loss from FX difference were therefore recorded at big volumes with 324 VNDb going into financial revenue and 219 VNDb going into financial expenses. After offsetting these two items, the Group recorded a net realized gain from exchange rate difference of 104 VNDb, fully offsetting the unrealized loss of 44 VNDb from the revaluation of USD-based monetary items at the year end. Total impact from exchange rate differences in Q4-2023 was a 60 VNDb gain, up by 236 VNDb compared to the net loss of 176 VNDb in previous quarter, consistent with the downward trend instead of upward one in Q3-2023.

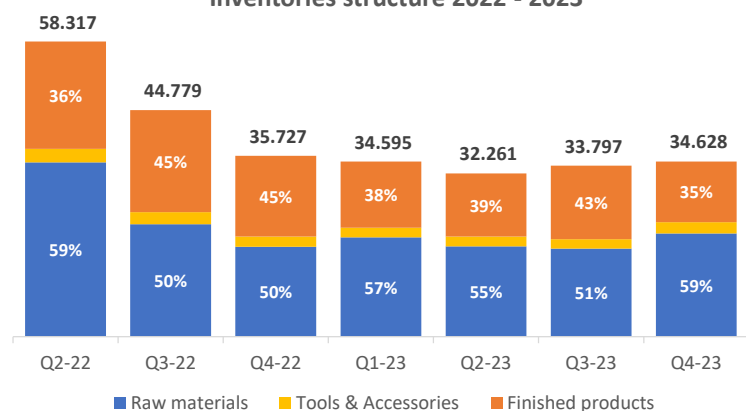
Hoa Phat inventory turnover 2021-Q1-2023



Finished product turnover decreased thanks to improved market. The raw material inventory policy continues to be strictly managed.

The positive signal of steel market in Q4-2023 was reflected in Hoa Phat's inventory structure with the proportion of finished products in inventory decreased to the lowest level since Q2-2022 at only 35% instead of 45% as those of Q4-2022. Finished product turnover also decreased sharply from 53 days in Q3-23 to 37 days in Q4-23, reducing the total inventory turnover from 124 to 106 days - a record optimal level over the last 3 years. As Hoa Phat has re-operated all blast furnaces of all complexes lately, raw materials need for production has been therefore increased accordingly in both value and proportion in inventory structure. However, raw material turnover was not increased back to 3 months as in 2021 but continued to tighten around 2 months (62 days). Going through a long period of difficulty has proven that the Group's tightening raw material management policy can be sustainably applied to not only adverse periods of raw material prices but also market recovery.

Inventories structure 2022 - 2023



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