

Nam Kim Steel

Sector: Industrial Metals and Mining | Exchange: Ho Chi Minh

31/12/2024

RECOMMENDATION

Unclear signal

Current price	14,450
Buy	1
Hold	3
Sell	3

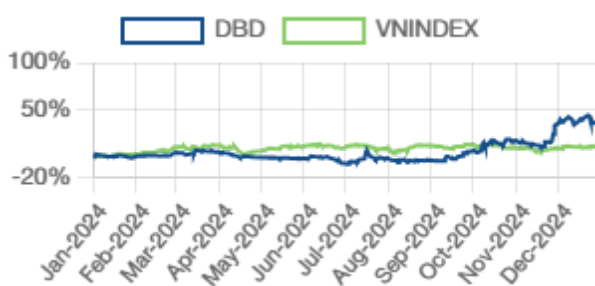
STOCK INFORMATION

Outstanding shares (million)	93.554
Capitalization (billion VND)	5,388.698
Avg trading volume 3 months	642,456.67
Initial listing date	14/1/2011

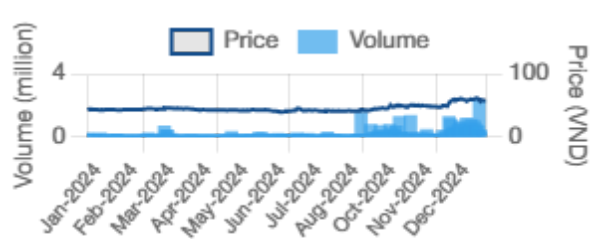
MATERIAL ASPECT

EPS (VND)	2,941.43
BVPS (VND)	20,000
Dept/Equity	3.63%
ROA	12.15%
ROE	16.57%
P/E	19,582.31
P/B	3,243.97

PRICE MOVEMENT COMPARED VNINDEX



PRICE TREND



COMPANY OVERVIEW

Nam Kim Group Joint Stock Company (HOSE: NKG) was established in 2002, specializing in manufacturing and trading steel products. NKG's main products include galvanized steel, color-coated steel, and steel pipes, widely used in construction and industry. With a strong distribution network and modern production technology, NKG has established a solid position in the domestic and international markets, focusing on quality and customer satisfaction.

STUDENT ANALYST

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BUSINESS PERFORMANCE ANALYSIS

NKG's revenue performance shows a fluctuating trend over the past five years. From 2020 to 2021, the company experienced substantial revenue growth of 143.72%, reaching 28,173.40 billion VND. However, revenue declined in both 2022 and 2023, with decreases of 18.11% and 19.4% respectively. In 2024, NKG demonstrated a recovery with a 10.83% increase in revenue, reaching 20,609.02 billion VND. This rebound suggests improved market conditions or successful strategic initiatives implemented by the company to regain its revenue momentum.

The net profit after tax of NKG also reflects significant volatility. In 2021, the company achieved remarkable profit growth of 653.64%, reaching 2,225.26 billion VND. However, 2022 saw a sharp decline, resulting in a loss of 124.68 billion VND. Although the company returned to profitability in 2023 with 117.41 billion VND, the profit was still significantly lower than in 2021. In 2024, NKG experienced a substantial recovery in net profit, with a growth of 285.84%, reaching 453.01 billion VND. This positive trend indicates improved operational efficiency and effective cost management, contributing to enhanced profitability.

Investment highlights

Strong Market Position: NKG has established a solid foothold in the steel industry, particularly in galvanized and color-coated steel. This strong market presence provides a stable revenue base and growth opportunities.

Strategic Investments: The company's investments in modern production technology and expanding its distribution network enhance its operational efficiency and market reach, driving long-term growth.

Export Potential: NKG's focus on quality and customer satisfaction positions it well to capitalize on export opportunities, diversifying its revenue streams and reducing reliance on the domestic market.

Overview of the Market Landscape

In 2024, the overall market experienced a significant net profit after tax (NPAT) growth of 69.35%, driven primarily by the non-financial sector (+62.35%). This growth was fueled by sectors with recovery narratives, including Basic Resources (4.38% market cap), and Real Estate (11.66% market cap). These sectors likely benefited from project sales and financial income recognition, contributing substantially to the overall market performance.

The financial sector also saw robust NPAT growth of 74.3% in 2024. Banks, with a dominant 30.28% market capitalization, remained the primary growth engine. However, the securities sector's growth moderated due to the fading low-base effect. This indicates a shift in growth dynamics within the financial sector, with banks maintaining their leading role while securities firms experience more normalized growth rates.

Figure 1: Net Profit Growth (%) by Year

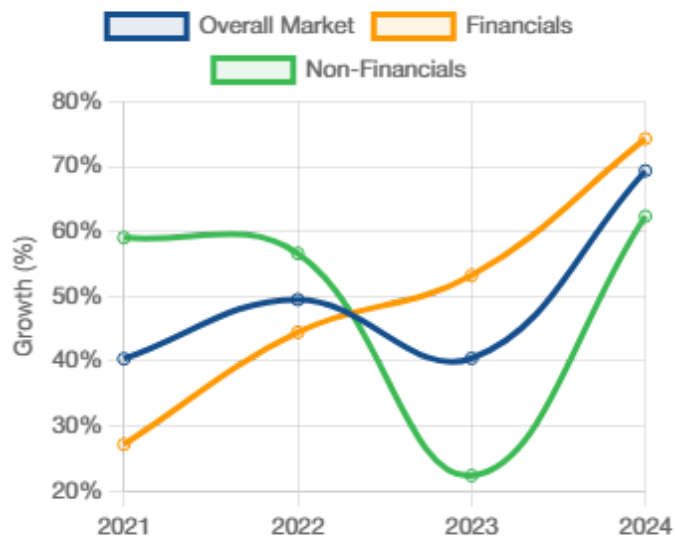
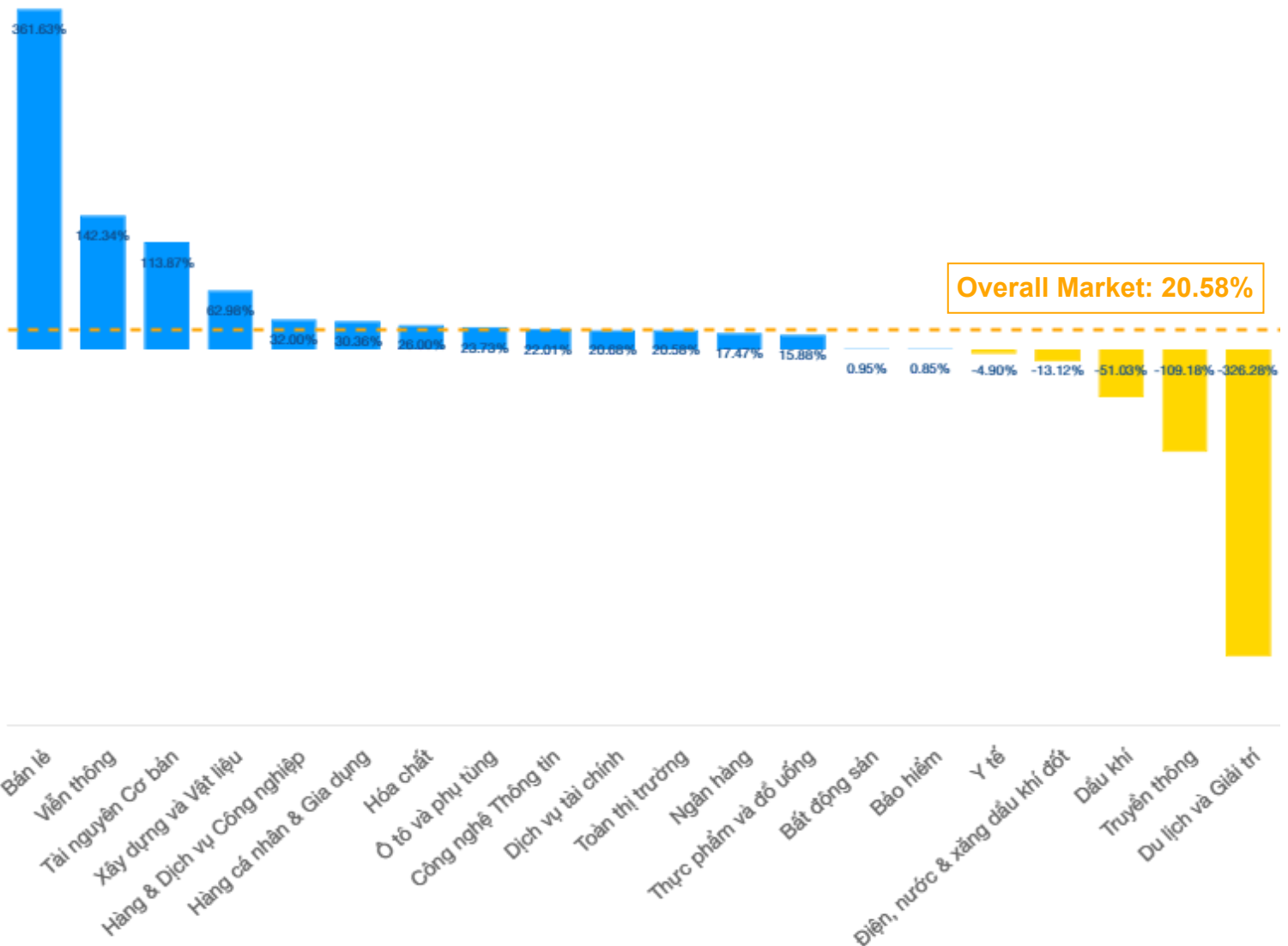


Figure 2: % Contribution of Sectors to Market Capitalization

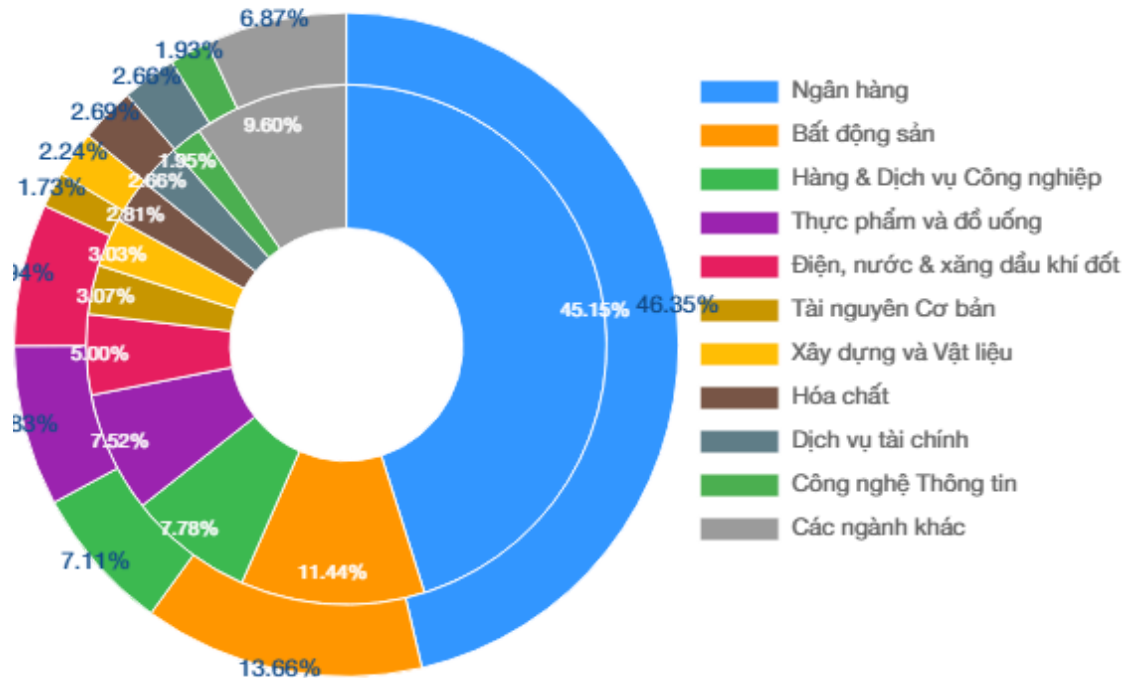


Figure 3: Net Profit Growth in 2024 (YoY) by Sector



The chart illustrates net profit growth by sector in 2024 (YoY). Notably, Securities, Retail, and Tourism & Entertainment led the market with strong profit growth, significantly surpassing the overall market average of 20.58%. Other sectors such as IT, Utilities, and Basic Resources also posted positive but moderate gains. Meanwhile, several sectors hovered near zero growth, indicating stabilization. On the other hand, Real Estate, Personal Goods, and especially Construction & Materials experienced negative profit growth, with the latter showing the sharpest decline. This suggests a clear divergence in performance, where growth is concentrated in consumer-driven and financial sectors, while property-related and discretionary sectors continue to face major headwinds.

Figure 4: Net Profit Contribution Chart for 2023 and 2024



In 2024, the financial sector, contributing 50.45% (45.15% from Banks and 2.66% from Financial Services) to the total market NPAT, showed mixed performance. Banks, the dominant force, grew by 17.47%, slightly below the overall market's 20.58%. Financial Services matched the market growth at 20.68%, while Insurance lagged significantly at 0.85%. This suggests that while the financial sector remains a key contributor, its growth is becoming more varied across sub-sectors.

The non-financial sector displayed more pronounced growth disparities. Retail experienced explosive growth of 361.63%, significantly increasing its contribution to the total NPAT from 0.28% to 1.08%. Basic Resources also saw substantial growth of 113.87%, increasing its contribution from 1.73% to 3.07%. Conversely, Utilities (Electricity, Water, and Gas) declined by -13.12%, reducing its contribution from 6.94% to 5.0%, and Oil & Gas decreased by -51.03%, dropping from 3.25% to 1.32%. These shifts indicate a dynamic market with some sectors thriving while others face challenges.

Figure 5: Net buying/selling (Matched orders)

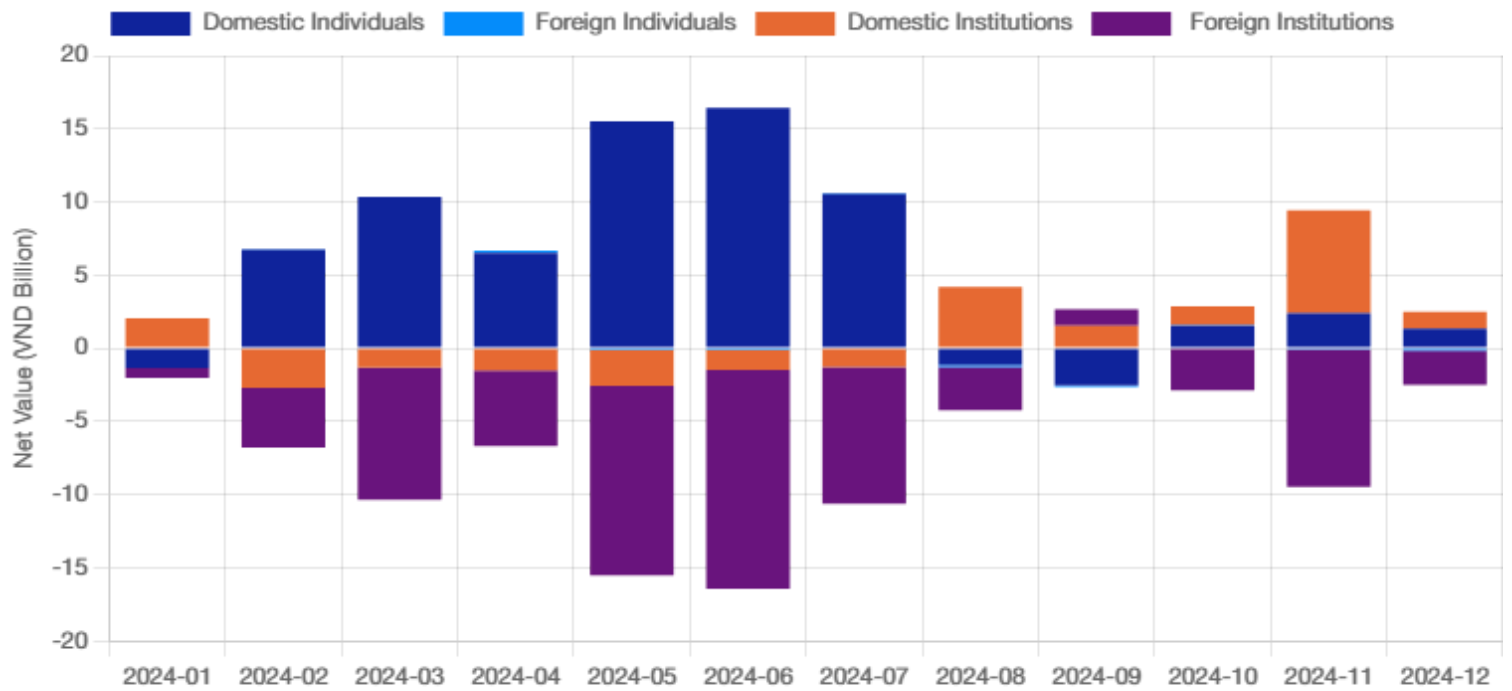


Figure 6: Net buying/selling (Negotiated trades)

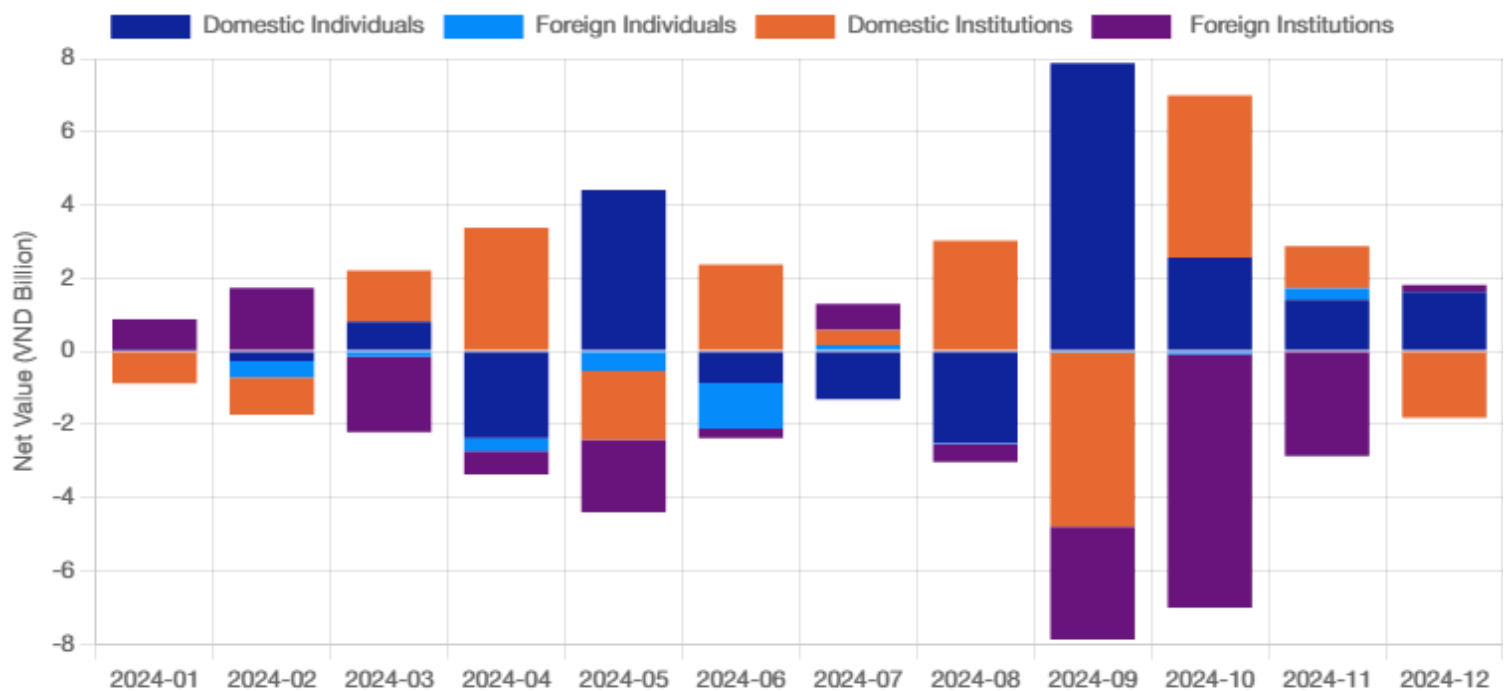


Table 1: Revenue and Net Profit Growth by Sector

Sector	Annual Net Revenue Growth (YoY, %)				Annual Net Profit Growth (YoY, %)			
	2021	2022	2023	2024	2021	2022	2023	2024
TĂNG TRƯỞNG								
Công nghệ Thông tin	12.72	37.89	53.49	75.02	21.55	45.14	65.66	102.13
Hàng & Dịch vụ Công nghiệp	15.61	29.45	13.98	24.91	44.71	87.37	57.72	108.20
Hàng cá nhân & Gia dụng	6.91	35.03	24.88	30.61	34.86	59.01	7.41	40.01
Hóa chất	39.23	68.01	32.05	32.48	78.65	184.02	19.83	50.99
Thực phẩm và đồ uống	11.33	18.17	20.82	21.14	53.70	33.68	22.99	42.52
Điện, nước & xăng dầu khí đốt	6.50	37.25	34.73	29.48	11.43	52.98	21.97	5.97
HỒI PHỤC								
Bán lẻ	19.71	33.65	24.36	39.97	46.81	25.84	-73.98	20.13
Bảo hiểm	6.74	19.51	20.25	23.45	21.59	-10.25	20.92	21.95
Bất động sản	14.92	-6.97	19.24	32.18	0.79	-7.66	-0.72	0.22
Dịch vụ tài chính	84.21	77.44	61.28	78.76	158.11	-2.89	60.41	93.57
Viễn thông	-1.59	16.50	31.39	55.09	-13.39	130.64	107.11	401.92
Xây dựng và Vật liệu	3.78	12.41	5.26	6.59	11.65	1.31	-30.23	13.72
Ô tô và phụ tùng	-0.09	27.49	47.55	109.03	3.15	33.87	-13.58	6.93
TẠO ĐÁY								
Dầu khí	33.02	127.46	109.51	116.63	-2330.66	-3610.05	-2821.86	-1432.77
Truyền thông	6.71	17.15	6.12	14.24	32.95	-157.44	-267.46	-84.62
Tài nguyên Cơ bản	22.91	43.15	23.37	33.65	107.93	-57.53	-67.20	-29.85
SUY YẾU								
Du lịch và Giải trí	-28.33	78.10	130.54	167.48	19.01	-1.76	-62.85	-184.06
Y tế	-6.65	-6.65	-10.42	-25.47	8.45	23.38	31.39	24.95

The table shows sector growth from 2021 to 2024. In 2024, IT, Retail, and Food & Beverage led with strong profit gains. Real Estate and Banking showed signs of recovery, while Utilities stabilized. In contrast, Oil & Gas and Telecommunications saw sharp profit declines, especially Oil & Gas with a -1432.77% drop. The data highlights a widening gap between thriving consumer-driven sectors and struggling ones facing structural challenges.

Financial highlights

NKG's revenue performance shows a fluctuating trend over the past five years. From 2020 to 2021, the company experienced substantial revenue growth of 143.72%, reaching 28,173.40 billion VND. However, revenue declined in both 2022 and 2023, with decreases of 18.11% and 19.4% respectively. In 2024, NKG demonstrated a recovery with a 10.83% increase in revenue, reaching 20,609.02 billion VND. This rebound suggests improved market conditions or successful strategic initiatives implemented by the company to regain its revenue momentum.

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Figure 1: Net revenue growth

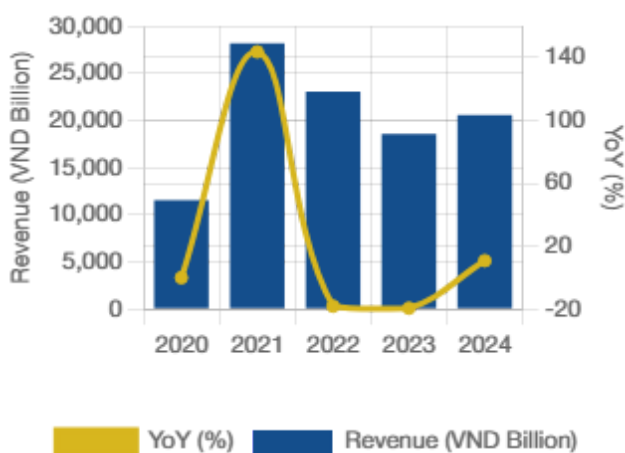


Figure 2: Net profit growth

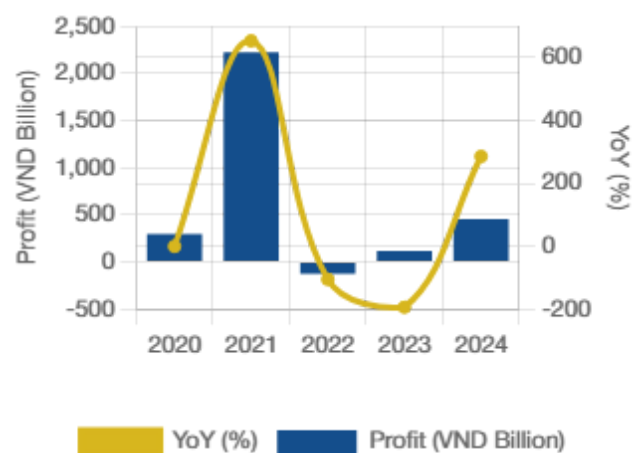


Figure 3: Gross Profit Margin (%)

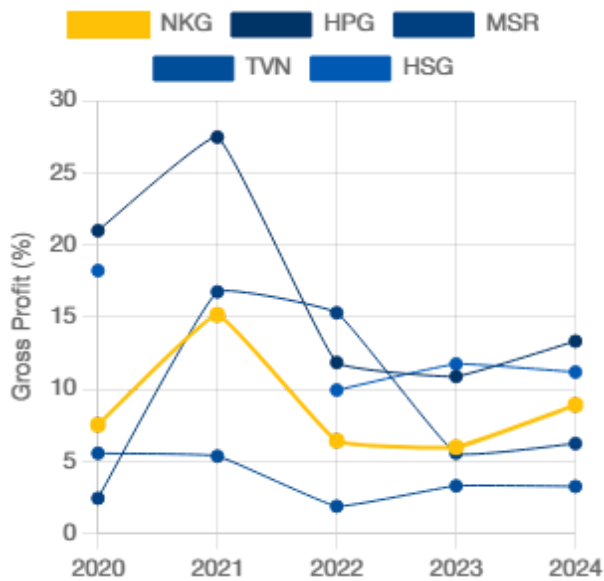


Figure 4: Net Profit Margin (%)

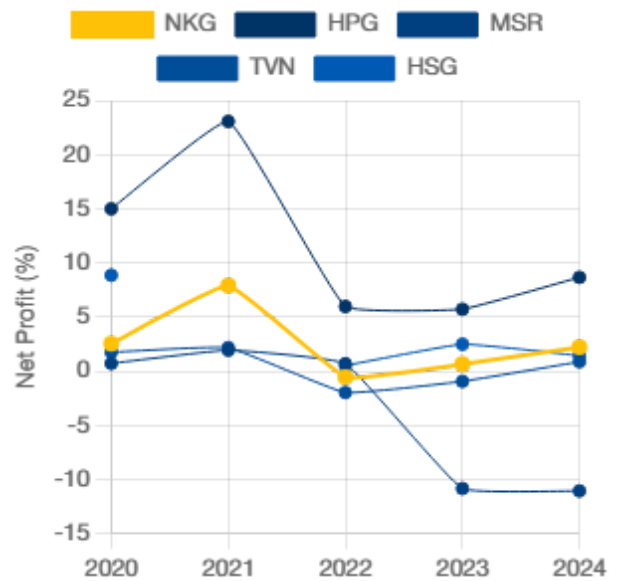


Figure 5: SG&A Expenses / Revenue (%)

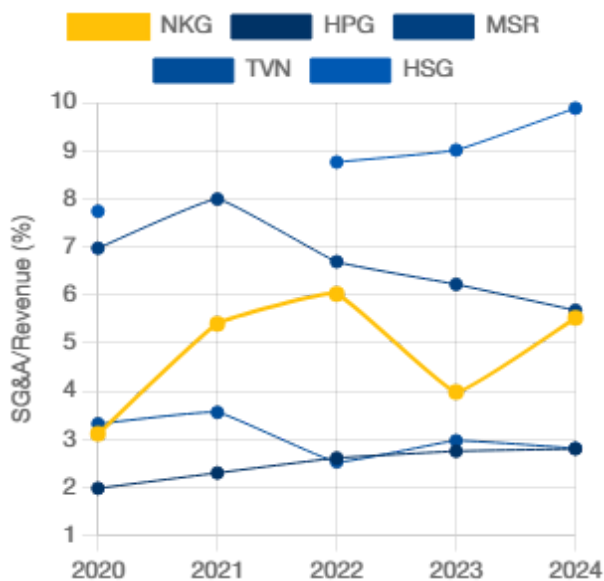
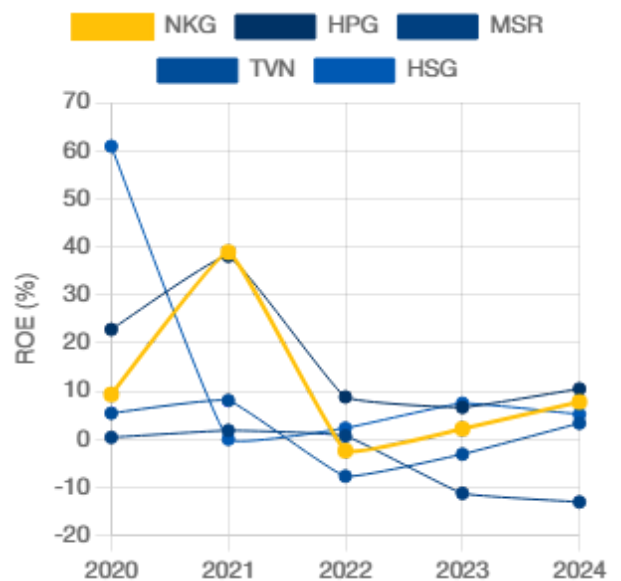
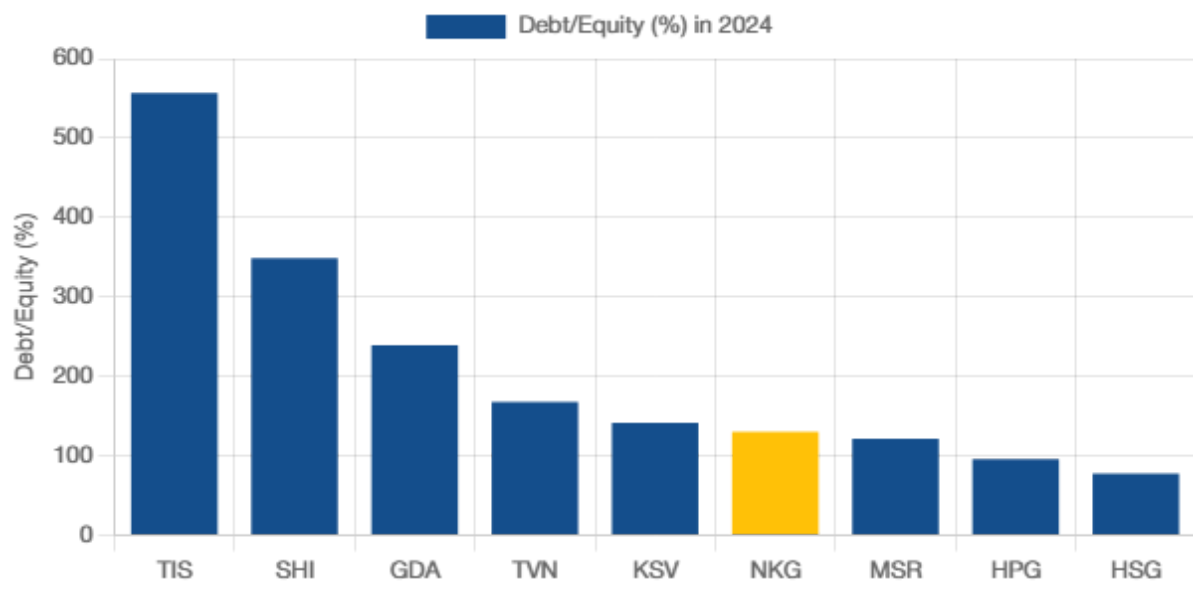


Figure 6: ROE (%)



In 2024, NKG's gross margin stood at 8.89%, while its net margin was 2.2%. These figures are lower compared to industry leader HPG, which reported a gross margin of 13.32% and a net margin of 8.66%. NKG's SG&A ratio was 5.52%, higher than HPG's 2.8%, indicating higher operating expenses relative to revenue. NKG's ROE was 7.72%, also lower than HPG's 10.48%. The debt-to-equity ratio for NKG was 130.25%, higher than HSG's 78.05% but lower than MSR's 121.7% and TVN's 168.0%. This suggests NKG has a moderate level of financial leverage compared to some of its peers.

Figure 7: Debt / Equity (%)



In 2024, NKG's debt-to-equity ratio was 130.25%. Compared to the top 9 peers, this is higher than HPG (95.81%) and HSG (78.05%), indicating more leverage. However, it's lower than TVN (168.0%), GDA (239.15%), TIS (556.49%), and SHI (348.92%). This suggests NKG's financial leverage is moderate relative to some industry peers, indicating a balanced approach to debt management.

Table 1: Summary of financial indicators and industry valuation

Ticker	Exchange	Revenue (VND Billion)	YoY (%) Revenue	Net Profit (VND Billion)	YoY (%) Profit	GPM (%)	Net Profit Margin (%)	ROE (%)	P/E	P/B	Marketcap (VND Billion)	Stock Price Change (%)
NKG	HOSE	20609.02	10.83	453.01	285.84	8.89	2.2	7.72	10.1	0.8	4565.22	-22.71
HPG	HOSE	138855.11	16.73	12020.02	76.75	13.32	8.66	10.48	14.2	1.5	170460	5.26
MSR	UPCoM	14336.33	1.72	-1586.6	3.73	6.23	-11.07	-13.04	-8.1	1.1	12860.1	-15.22
TVN	UPCoM	36188.17	19.41	311.46	-208.04	3.26	0.86	3.32	17	0.6	5288.4	23.81
HSG	HOSE	40420.33	23.21	576.85	-29.1	11.18	1.43	5.19	19.9	1	11457.12	-19.43
Mean		50081.79	14.38	2354.95	25.84	8.58	0.42	2.73	10.62	1	40926.17	-5.66
Median		36188.17	16.73	453.01	3.73	8.89	1.43	5.19	14.2	1	11457.12	-15.22

Table 2: Summary Income Statement

Income Statement Summary	2024	2023	%YoY
Net revenue	20609.02	18595.97	10.83%
Sales expenses	1017.60	609.12	67.06%
General and Administrative Expenses	120.24	130.30	-7.72%
SG&A Expenses to Net Revenue (%)	5.52	3.98	38.85%

Based on the provided data, NKG experienced a revenue increase of 10.83% from 2023 to 2024. However, the selling expenses also increased significantly by 67.06% during the same period. The missing data for "Chi phí quản lý doanh nghiệp / DTT (%)" prevents a complete analysis of the company's cost structure and overall financial performance.

Gross Profit	1831.77	1112.26	64.69%
Gross Profit Margin (%)	8.89	5.98	48.6%

NKG's gross profit experienced a substantial increase of 64.69% from 2023 to 2024, indicating improved profitability at the production level. This growth is further supported by an increase in the gross profit margin from 5.98% to 8.89%, representing a 48.6% improvement. This suggests that NKG has become more efficient in managing its cost of goods sold relative to its revenue, potentially due to better pricing strategies, cost-saving measures in production, or a shift towards higher-margin products.

Financial Income	340.62	230.38	47.85%
Financial Expenses	477.10	426.15	11.95%
<i>In which: Interest Expenses</i>	207.84	207.84	0%

NKG's financial income increased by 47.85% from 2023 to 2024, indicating improved returns from financial activities. However, financial expenses also rose by 11.95% during the same period. The missing data for "Trong đó: Chi phí lãi vay" prevents a complete assessment of the impact of interest expenses on the company's financial performance.

Profit Before Tax (PBT)	558.17	177.31	214.8%
Profit Attributable to Parent Company	453.01	117.41	285.84%
Net Profit Margin (%)	2.20	0.63	248.15%

NKG's net profit attributable to the parent company experienced a significant increase of 285.84% from 2023 to 2024. This substantial growth is reflected in the net profit margin, which rose from 0.63% to 2.2%, representing a 248.15% improvement. The missing data for "Lãi/(lỗ) công ty liên doanh" prevents a complete analysis of all factors contributing to the overall profitability.

Appendix 1

Table 1: Balance Sheet

Chỉ tiêu	2020	2021	2022	2023	2024
Tài sản ngắn hạn	4,492.27	12,215.59	10,414.9	9,322.64	10,202.37
<i>Tiền và tương đương tiền</i>	219.16	751.45	1,005.4	785.48	391.78
<i>Đầu tư tài chính ngắn hạn</i>	369.53	447.71	251.57	289.61	247.13
<i>Các khoản phải thu ngắn hạn</i>	1,437.54	1,901.7	1,516.69	1,926.74	1,942.94
<i>Hàng tồn kho, ròng</i>	2,371.08	8,281.32	7,000.42	5,718.7	6,690.48
<i>Tài sản ngắn hạn khác</i>	94.96	833.41	640.82	602.11	930.04
Tài sản dài hạn	3,270.83	3,182.32	3,045.85	2,912.77	3,316.71
<i>Phải thu dài hạn</i>	3.47	0.01	2.31	0.01	1.34
<i>Tài sản cố định</i>	3,126.53	2,770.7	2,588.28	2,358.75	2,021.34
<i>Tài sản dở dang dài hạn</i>	58.58	176.01	219.72	312	531.11
<i>Đầu tư dài hạn</i>	23.18	8.18	8.18	3.18	524.52
<i>Tài sản dài hạn khác</i>	59.07	227.42	227.36	238.83	238.4
<i>Lợi thế thương mại</i>	0	0	0	0	0
Tổng cộng tài sản	7,763.09	15,397.92	13,460.76	12,235.4	13,519.09
Nợ phải trả	4,582.08	9,674.71	8,141.11	6,812.32	7,647.68
<i>Nợ ngắn hạn</i>	4,097.98	9,598.19	8,108.87	6,784.01	7,620.89
<i>Nợ dài hạn</i>	484.1	76.52	32.24	28.31	26.79
Vốn chủ sở hữu	2,396.32	4,820.15	4,260.83	4,364.25	5,330.9
<i>Vốn góp của chủ sở hữu</i>	1,820	2,183.99	2,632.78	2,632.78	3,159.32
<i>Vốn khác</i>	0	0	0	0	0
<i>Lợi nhuận giữ lại</i>	576.32	2,636.16	1,628.05	1,731.47	2,171.58
Tổng cộng nguồn vốn	7,763.09	15,397.92	13,460.76	12,235.4	13,519.09

Unit: billion VND

Appendix 2

Table 2: Income Statement

Chỉ tiêu	2020	2021	2022	2023	2024
Doanh thu thuần	11,559.67	28,173.4	23,071.25	18,595.97	20,609.02
Lợi nhuận gộp	869.21	4,269.86	1,481.36	1,112.26	1,831.77
Chi phí bán hàng	267.95	1,397.95	1,202.33	609.12	1,017.6
Chi phí QLDN	91.91	122.72	185.78	130.3	120.24
Lợi nhuận thuần từ HĐKD	317.18	2,550.94	-106.84	177.07	557.45
Doanh thu HĐ tài chính	89.09	199.22	302.88	230.38	340.62
Chi phí lãi vay	222.15	243.69	262.47	292.68	207.84
Lãi/lỗ từ công ty liên doanh	0	0	0	0	0
Lợi nhuận khác	3.63	11.09	-0.07	0.24	0.72
Tổng lợi nhuận kế toán trước thuế	320.81	2,562.03	-106.91	177.31	558.17
Lợi nhuận sau thuế	295.27	2,225.26	-124.68	117.41	453.01
Cổ đông của Công ty mẹ	295.27	2,225.26	-124.68	117.41	453.01
Giá vốn hàng bán	10,690.46	23,903.54	21,589.89	17,483.71	18,777.25
Chi phí bán hàng và QLDN	359.86	1,520.67	1,388.11	739.42	1,137.84

Unit: billion VND

Table 3: Cash Flow Statement

Chỉ tiêu	2020	2021	2022	2023	2024
Lãi trước thuế	320.81	2,562.03	-106.91	177.31	558.17
Khấu hao TSCĐ	0	0	0	0	0
Lưu chuyển tiền tệ ròng từ các hoạt động sản xuất kinh doanh (TT)	15.58	-308.27	-827.92	268.56	-540.52
Lưu chuyển tiền tệ ròng từ hoạt động đầu tư (TT)	345.74	-308.74	32.86	-145.71	-1,359.56
Lưu chuyển tiền tệ từ hoạt động tài chính (TT)	-218.2	1,149.99	1,049.39	-342.39	1,507.09
Lưu chuyển tiền thuần trong kỳ (TT)	143.12	532.97	254.33	-219.54	-392.99

Unit: billion VND

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Information

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