

3 Oct 2023

Nam Kim Steel (NKG)

August 2023 – Sale volume maintained trajectory

Vietnam Steel Association (VSA) released some worthy headlines on the August sales of the company. Here are some key issues worthy of note.

Domestic sales volume showed an uptick

- Total August steel sales volume posted 75,474 tonnes, increasing 35.2% yoy and decreasing 4.3% mom.
- Steel coat volume made up 88% of the Aug total sales volume at 66,445 tonnes, +53.9% yoy, -1.8% mom.
- The coated steel export volume (48,686 tonnes) slightly decreased by 2.7% mom but rose 68.1% yoy.
- Domestic volume of steel coat rise by 25.4% yoy and 0.8% mom (17,977 tonnes), and steel pipes volume decreased by 19.1% mom and 28.6% yoy (9,029 tonnes).

8M23 total sale volume have yet to completely recovered

- The 8M23 total sales volume came in at 584,633 tonnes, -7.2% yoy. In which, the steel coat volume declined 6.2% yoy to 431,545 tonnes and the steel pipes volume was down by 12% yoy to 93,088 tonnes.
- The 8M23 total export volume (accounted for 61.3% of total sales; 358,604 tonnes) decreased by 7.5% yoy while the local sales volume (226,026 tonnes) decreased by 6.7% yoy.

Rating and recommendation

- We reiterate HOLD rating as we have yet seen light at the end of tunnel. Dimming outlook as we examined [in the in-depth flat steel report](#) has reinforced our recommendation. Earnings are under review.

13M rating **HOLD (Maintain)**

13M TP **NA**

Up/Downside **NA**

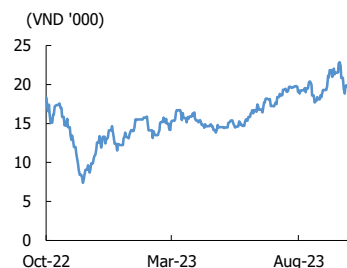
Stock Data

VNIndex (02 Oct, pt)	1,155
Stock price (02 Oct, VND)	19,900
Market cap (USD mn)	201
Shares outstanding (mn)	263
52-Week high/low (VND)	22,850/7,400
6M avg. daily turnover (USD mn)	7.27
Free float / Foreign ownership (%)	64.5/10.2
Major shareholders (%)	
Ho Minh Quang	11.8

Performance

	1M	6M	12M
Absolute (%)	3.1	23.1	9.4
Relative to VNIndex (%p)	8.6	17.6	3.8

Stock price trend



Source: Bloomberg

Research Department

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Table 1. Sales volume growth

(Tonnes)

	Monthly				Accumulated		
	8-2022	8-2023	MoM (%)	YoY (%)	8M2022	8M2023	YoY (%)
Steel Pipes	12,653	9,029	(19.1)	(28.6)	105,746	93,088	(12.0)
Export	0	0	N.A	N.A	0	0	N.A
Domestic	12,653	9,029	(19.1)	(28.6)	105,746	93,088	(12.0)
Steel Coat	43,176	66,445	(1.8)	53.9	524,314	491,545	(6.2)
Export	28,835	48,468	(2.7)	68.1	387,809	358,607	(7.5)
Domestic	14,341	17,977	0.8	25.4	136,505	132,938	(2.6)
Total Steel Volume	55,829	75,474	(4.3)	35.2	630,060	584,633	(7.2)
Export	28,835	48,468	(2.7)	68.1	387,809	358,607	(7.5)
Domestic	26,994	27,006	(6.9)	0.0	242,251	226,026	(6.7)

Source: Company, VSA, KIS

Table 2. Production volume growth

(Tonnes)

	Monthly				Accumulated		
	Jun-22	Jun-23	MoM (%)	YoY (%)	6M22	6M23	YoY (%)
Steel Pipes							
Production	13,967	8,498	(22.2)	(39.2)	104,456	93,582	(10.4)
Inventories	0	0	N.a	n.a			
Steel Coat							
Production	44,818	66,707	(4.5)	48.8	539,930	500,324	(7.3)
Inventories	0	0	N.a	n.a			
Total							
Production	58,785	75,205	(6.9)	27.9	644,386	593,906	8.5
Inventories	0						

Source: Company, VSA, KIS

Company overview & Glossary

Founded in 2002, Nam Kim Steel is one of Vietnam's largest manufacturers of galvanized steel sheets and steel pipes for use in residential, industrial and civil construction.

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Prepared by: Research Department

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