

# Steel producers post outstanding results in Q1

21 APR 2021

**HANOI:** The surge in prices of steel since the beginning of 2021 has helped many steel producers record good performance in the first quarter.

Rebar futures contracts, trading on the Shanghai Futures Exchange, increased sharply due to supply chain disruptions caused by the Covid-19 pandemic.

The most traded May rebar contract climbed 17.4% this year and traded at 5,101 yuan per tonne.

The rebar price rose 51% compared with April 2020.

In its first quarter finance result, Hoa Sen Group (HSG) posted an increase of nearly 382% year-on-year in net revenue to 9.1 trillion dong, leading to a rise of 215.8% in profit after tax to 572 billion dong.

HSG said that the gain was mainly driven by increases in net revenue and falls in financial expenses, dropping nearly 30% in the first quarter.

Ho Chi Minh City Metal Corp (HMC) also witnessed strong growth in business results during this period with its revenue rising 40.4% over the same period of 2020 to over 1.1 trillion dong.

The company's profit after tax gained over 10 times compared to last year to 64.7 billion dong, marking the highest quarterly profit since it was founded.

In the financial report, HMC said that the main reasons for the company's outstanding performance were gains in sales and higher steel price.

The company will hold its AGM on April 26.

In a report prepared for the meeting, HMC set this year's target of 3.45 trillion dong in revenue, down 5% year-on-year, with profit after tax increasing 16% to 44 billion dong.

Another steel producer posting good results in the first quarter was Thu Duc Steel JSC (TDS).

The quarterly financial report showed that the company's net revenue rose 22.7% year-on-year to 601.6 billion dong.

Its profit after tax also posted a gain of 45.5% to over 12.8 billion dong.

According to TDS, its steel consumption increased to over 1,760 tonnes in the last quarter while the steel price continued to rally. The sharp decline in financial expenses also supported TDS' business results. — Viet Nam News/ANN