

22 Aug 2022

Thanh Cong Textile Garment (TCM)

Shine on a low base

Stellar revenue and earnings growth in July

TCM posted impressive business results in July with revenue of USD17.1mn (+118% yoy) and NPAT of USD1.5mn (+224% yoy) thanks to a low base of the same period last year as the Southern region was in lockdown due to Covid tension. Revenue in July 2022 came from 3 main segments, of which garment accounted for 78%, fabrics accounted for 15% and yarn accounted for 6% of total revenue.

Overall, in 7M22, the company achieved USD108.3mn (+13% yoy) in revenue and USD6.7mn in NPAT (+17% yoy), fulfilling 61% and 62% of its 2022F guidance, respectively.

Korea was the largest export market in July

TCM exported textile and garment products to many major countries in the world. The Company's exports to Asia in July 2022 accounted for the highest proportion of 63.7%, of which the Korean market accounted for 29.91%, and Japan accounted for 20.01%. America accounted for 33.3%, of which the US and Canada accounted for 28.7% and 4.63%, respectively. Meanwhile, Europe accounted for only 2.7%, of which the UK was the largest market in the region with 2.54%.

Optimistic order situation

Until August, the Company has received enough orders for 3Q22 and has received nearly 80% of orders for the revenue target of 4Q22.

	2017A	2018A	2019A	2020A	2021A
Sales (VND bn)	3,209	3,662	3,644	3,470	3,535
chg. (% YoY)	4.5	14.1	(0.5)	(4.8)	1.9
Operating profit (VND bn)	243	305	292	334	159
Net profit (VND bn)	192	259	216	275	143
EPS (VND)	2,996	3,214	2,388	2,997	1,436
chg. (% YoY)	29.0	7.3	(25.7)	25.5	(52.1)
EBITDA (VND bn)	349	383	407	453	278
PE (x)	11.7	9.1	13.7	9.8	22.4
EV/EBITDA (x)	9.7	8.8	8.1	6.9	13.7
PB (x)	2.1	1.9	1.8	1.7	1.8
ROE (%)	19.4	22.2	16.1	18.0	8.6
Dividend yield (%)	1.3	1.0	1.0	1.0	0.9

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest

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12M rating **Non-rated**

12M TP **N.A**

Up/Downside **N.A**

Stock Data

VNIndex (19 Aug, pt)	1,269
Stock price (19 Aug, VND)	47,700
Market cap (USD mn)	167
Shares outstanding (mn)	82
52-Week high/low (VND)	71,392/42,250
6M avg. daily turnover (USD mn)	2.26
Free float / Foreign ownership (%)	38.9/46.3
Major shareholders (%)	
E-Land Asia Holdings Pte., Ltd	43.3

Performance

	1M	6M	12M
Absolute (%)	10.2	(18.3)	(29.4)
Relative to VNIndex (%p)	2.4	(3.3)	(26.1)

Stock price trend



Source: Bloomberg

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