

17 Oct 2022

# Thanh Cong Textile Garment (TCM)

## Maintain growth momentum in September

### Revenue grew strongly thanks to the low base

- In September, TCM posted robust business results with revenue of USD15.2mn (+91% yoy) and NPAT of USD0.95mn (versus a loss of USD0.6mn in September 2021 due to the lockdown in the Southern region).
- Revenue in September 2022 came from 3 main segments, of which garments accounted for the majority of total revenue with 76%. Meanwhile, fabrics and yarn accounted for 15% and 7%, respectively.
- Although the textile and garment export situation was not favorable since the beginning of 3Q22 due to the impact of raising inflation and high inventory level in key export markets, with efforts to increase productivity and reduce costs, the Company still posted positive results. Overall, in 9M22, the company achieved USD142.9mn (+25% yoy) in revenue and USD9mn in NPAT (+85% yoy), fulfilling 79.4% and 86% of its 2022F guidance, respectively.

### The US accounted for half of September's total revenue

- TCM received orders from many major countries in the world. In September, the Company's exports to America accounted for the highest proportion of 51.7%, of which the US as the largest importer accounted for 50.62%. Next came Asia with 47.5%, of which Japan and South Korea accounted for 19.75% and 13.08%, respectively.

### 4Q22 order situation

- Until Mid-October, the Company has received over 80% of orders for the 4Q22 revenue target, and started to receive some orders for 1Q23.

	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)	14.8	13.8	18.6	14.8	30.9
EV/EBITDA (x)	9.1	8.2	7.5	6.3	12.7
PB (x)	2.1	1.9	1.8	1.7	1.9
ROE (%)	19.4	22.2	16.1	18.0	8.6
Dividend yield (%)	1.4	1.1	1.1	1.1	1.0

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 (14 Oct, pt)	1,062
Stock price (14 Oct, VND)	44,400
Market cap (USD mn)	146
Shares outstanding (mn)	82
52-Week high/low (VND)	71,392/41,000
6M avg. daily turnover (USD mn)	1.63
Free float / Foreign ownership (%)	38.9/46.2
Major shareholders (%)	
E-Land Asia Holdings Pte., Ltd	44.96
Nguyen Van Nghia	16.89

### Performance

	1M	6M	12M
Absolute (%)	4.5	(36.1)	(30.1)
Relative to VNIndex (%p)	18.8	(8.7)	(6.4)

### Stock price trend

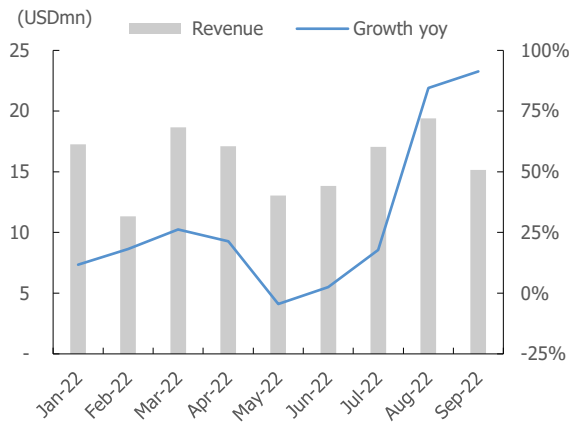


Source: Bloomberg

**Quy Nguyen**

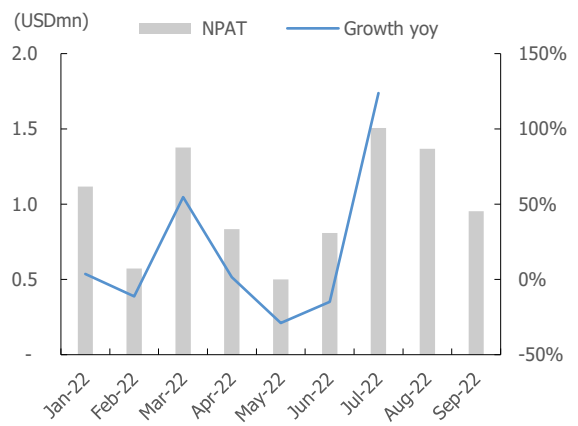
Quy.nt@kisvn.vn

**Figure 1. Revenue growth trend**



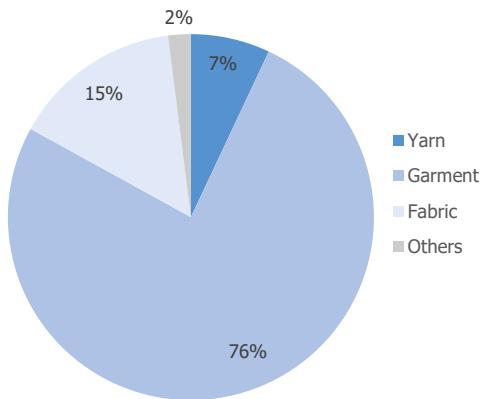
Source: Company data, KIS Vietnam

**Figure 2. NPAT growth trend**



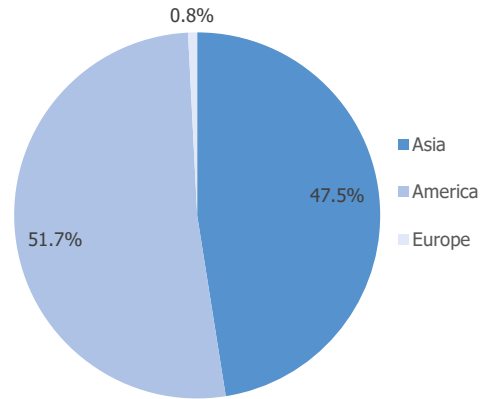
Source: Company data, KIS Vietnam  
 Note: TCM posted negative NPAT in August and September 2021

**Figure 3. Exports by continent in September**



Source: Company data, KIS Vietnam

**Figure 4. Revenue by product item in September**



Source: Company data, KIS Vietnam

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Prepared by: Quy Nguyen

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