

20 Oct 2022

TNG Investment & Trading (TNG)

Resilient earnings growth in 3Q22

TNG maintained the growth momentum in 3Q22

- TNG announced 3Q22 IR News on Oct 19, which delivered positive business results. Specifically, the company posted 3Q22 revenue of VND2,018bn (+18% yoy) and NPAT of VND105bn (+23% yoy).
- Overall, in 9M22, the company achieved VND5,259bn (+29% yoy) in revenue and VND230bn in NPAT (+37% yoy) thanks to the recovered demand in main export markets including the US, and the EU.

The US accounted for the majority of revenue

- Regarding revenue structure, exports accounted for the majority of TNG's total revenue in 3Q22 with 97% when bringing in VND1,964bn while domestic revenue only accounted for 3% with VND55bn.
- The US remained TNG's biggest export market in 3Q22, accounting for 40.1% of total revenue. Next came France and Russia with 28.7% and 7.3%, respectively.

Full orders for 4Q22

- We expect Vietnam's textile export to slow down significantly in 4Q22 due to the high inflation situation and tighter financial conditions in key export markets, which will cause consumers to tighten spending on apparel products. However, with orders already received fully for 4Q22 and the leading position in the industry, we believe TNG will still post positive business results in 4Q22 to exceed its 2022F's target.

| | 2017A | 2018A | 2019A | 2020A | 2021A |
|---------------------------|-------|-------|--------|--------|-------|
| Sales (VND bn) | 2,489 | 3,613 | 4,612 | 4,480 | 5,444 |
| chg. (% YoY) | 31.8 | 45.2 | 27.7 | (2.9) | 21.5 |
| Operating profit (VND bn) | 220 | 328 | 407 | 312 | 398 |
| Net profit (VND bn) | 115 | 180 | 230 | 154 | 232 |
| EPS (VND) | 2,664 | 3,187 | 2,710 | 625 | 2,484 |
| chg. (% YoY) | 12.4 | 19.6 | (15.0) | (76.9) | 297.4 |
| EBITDA (VND bn) | 322 | 441 | 537 | 462 | 562 |
| PE (x) | 6.4 | 5.4 | 6.3 | 27.4 | 6.9 |
| EV/EBITDA (x) | 6.3 | 5.2 | 4.5 | 6.5 | 6.5 |
| PB (x) | 1.1 | 1.1 | 1.0 | 1.1 | 1.1 |
| ROE (%) | 20.0 | 25.3 | 24.7 | 13.9 | 17.8 |
| Dividend yield (%) | 0.0 | 0.0 | 0.0 | 6.5 | 1.9 |

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 (20 Oct, pt) | 1,058 |
| Stock price (20 Oct, VND) | 17,100 |
| Market cap (USD mn) | 73 |
| Shares outstanding (mn) | 105 |
| 52-Week high/low (VND) | 37,470/14,737 |
| 6M avg. daily turnover (USD mn) | 3.06 |
| Free float / Foreign ownership (%) | 62.6/4.5 |
| Major shareholders (%) | |
| Nguyen Van Thoi | 17.16 |

Performance

| | 1M | 6M | 12M |
|--------------------------|--------|--------|--------|
| Absolute (%) | (24.0) | (49.5) | (36.1) |
| Relative to VNIndex (%p) | (11.0) | (26.7) | (13.1) |

Stock price trend



Source: Bloomberg

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