

19 Sep 2022

TNG Investment & Trading (TNG)

Solid August earnings growth

TNG maintained the growth momentum in August

- TNG announced August IR News on Sep 19, which delivered positive business results. Specifically, the company posted August revenue of VND697bn (+21% yoy) and NPAT of VND37.6bn (+31% yoy) thanks to increased orders from key export markets, including the US and EU.
- Overall, in 8M22, the company recorded revenue of VND4,705bn (+33% yoy) and NPAT of VND204bn (+44% yoy), fulfilling 78% and 73% of its 2022F guidance, respectively.

The US remained the largest export market

- Regarding revenue structure, exports still accounted for the majority of TNG's total revenue in August with 98.6% when bringing in VND687bn while domestic revenue only accounted for 1.4% with VND10bn.
- The US remained TNG's biggest export market, accounting for 40% of total revenue. Next came France and Russia with 29% and 7%, respectively.

Optimistic order situation

- We expect Vietnam's apparel export to slow down in the upcoming months due to the high inflation situation in main export markets, which will cause consumers to tighten spending on non-essential goods. However, with orders received almost enough for 4Q22 and the leading position in the industry, we believe TNG will maintain the growth momentum in the remaining of the year to achieve its 2022F guidance.

	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)	8.4	7.0	8.2	35.7	9.0
EV/EBITDA (x)	7.0	5.8	5.1	7.3	7.4
PB (x)	1.5	1.4	1.4	1.4	1.4
ROE (%)	20.0	25.3	24.7	13.9	17.8
Dividend yield (%)	0.0	0.0	0.0	5.0	1.4

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

12M rating **Non-rated**

12M TP **N.A**

Up/Downside *N.A*

Stock Data

VNIndex (19 Sep, pt)	1,205
Stock price (19 Sep, VND)	22,300
Market cap (USD mn)	99
Shares outstanding (mn)	105
52-Week high/low (VND)	38,396/22,300
6M avg. daily turnover (USD mn)	3.97
Free float / Foreign ownership (%)	62.6/4.7
Major shareholders (%)	
Nguyen Van Thoi	19.4
Asam Vietnam Mezzanine	11.6

Performance

	1M	6M	12M
Absolute (%)	(17.7)	(27.4)	(17.7)
Relative to VNIndex (%p)	(12.7)	(10.2)	(8.1)

Stock price trend



Source: Bloomberg

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