

Thien Long Group (TLG)

Completed warehouses expansion

Revenue in Oct 2022 remained stable yoy

- In Oct 2022, TLG posted revenue of VND220tn, remained stable yoy due to pent-up demand in Oct 2021 and normal operation in Oct 2022.
- NPAT in Oct 2022 was VND16bn, sharply decreased by 34% yoy from VND24bn in Oct 2021. However, in Oct 2022, TLG's NPAT surged 100% mom and NM improved from 2.9% in Sep 2022 to 7.3% in Oct 2022, mainly due to the recording of high marketing expenses in Sep 2022.
- In 10M22, TLG's net revenue rose by 43% yoy to VND3tn. NPAT also grew 106% yoy to VND420bn. Up to 10M22, TLG has fulfilled 92% of revenue guidance and surpassed 150% of NPAT guidance.

Export sale kept climbing

- Export sale climbed by 65% yoy to VND720bn, contributing 24% to TLG's revenue in 10M22. Meanwhile, domestic sales in 10M22 also surged by 37% yoy to VND2,280bn.
- Both GM and net margin (NM) in 10M22 improved respectively by 2.3%p/4.3%p yoy to 43.9%/14%, thanks to better product mix.
- The management expects TLG to surpass 10% of revenue guidance and exceed over 50% of NPAT.

Completed warehouses expansion

- The Center warehouse at Le Minh Xuan industrial park has launched in Oct 2022 and has loaded stocks.
- TLG has inaugurated B2 factory in Dong Nai in Oct 2022 with total investment amount of VND230bn.

Valuation

- TLG is trading at 7.27x TTM PE which is slightly below with 3-yrs PE median of 11.83x. Current TTM PB of 1.75x is slightly higher than the 3-yrs PB median of 1.81x.

	2017A	2018A	2019A	2020A	2021A
Sales (VND bn)	2,497	2,856	3,253	2,685	2,668
chg. (% YoY)	N.A	14.4	13.9	(17.5)	(0.6)
Operating profit (VND bn)	314	361	412	286	330
Net profit (VND bn)	268	294	349	240	277
EPS (VND)	2,557	4,009	4,480	2,625	3,153
chg. (% YoY)	N.A	56.8	11.8	(41.4)	20.1
EBITDA (VND bn)	364	427	490	367	414
PE (x)	17.9	11.4	10.2	17.4	14.5
EV/EBITDA (x)	5.8	7.2	6.3	8.1	7.2
PB (x)	2.2	2.4	2.0	2.0	1.9
ROE (%)	50.6	25.3	22.7	13.5	15.5
Dividend yield (%)	2.5	3.4	5.2	4.3	5.5

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

12M rating **Non-rated**

12M TP **N.A**

Uo/Downside **N.A**

Stock Data

VNIndex (30 Nov, pt)	1,040
Stock price (30 Nov, VND)	45,700
Market cap (USD mn)	144
Shares outstanding (mn)	78
52-Week high/low (VND)	69,600/37,200
6M avg. daily turnover (USD mn)	0.73
Free float / Foreign ownership (%)	33.2/20.0
Major shareholders (%)	
Thien Long An Think Investment	48.01
NWL Cayman Holdings Ltd	7.07
Co Gia Tho	6.1

Performance

	1M	6M	12M
Absolute (%)	(16.9)	6.7	(3.9)
Relative to VNIndex (%p)	(18.2)	25.5	24.7

Stock price trend

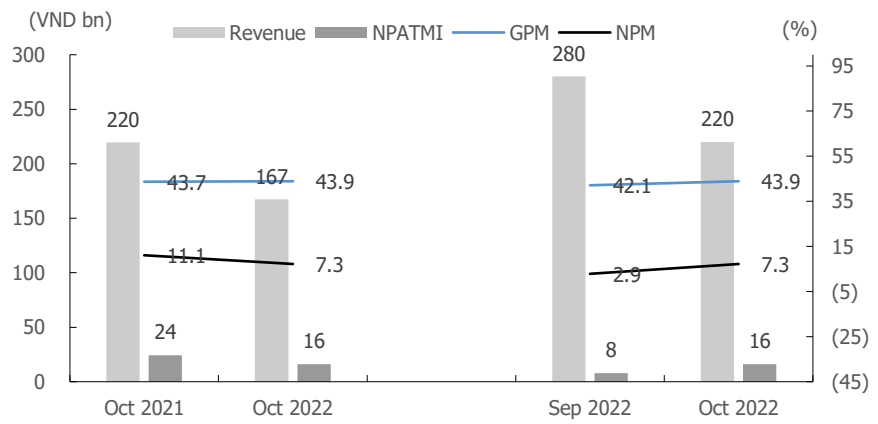


Source: Bloomberg

Research Department

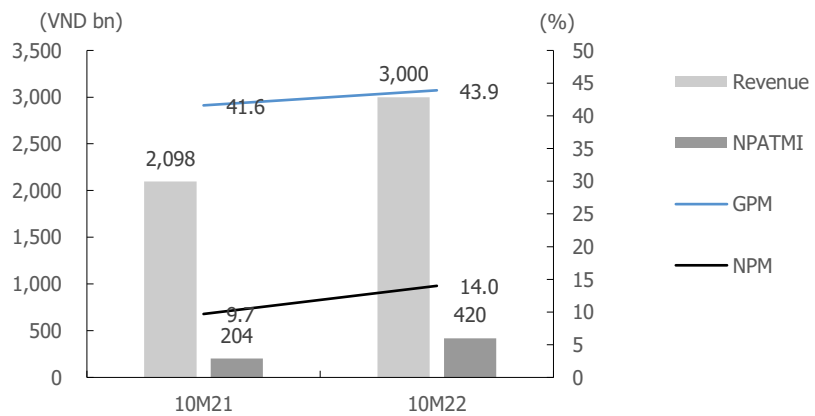
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Figure 1. Oct 2022 revenue movement



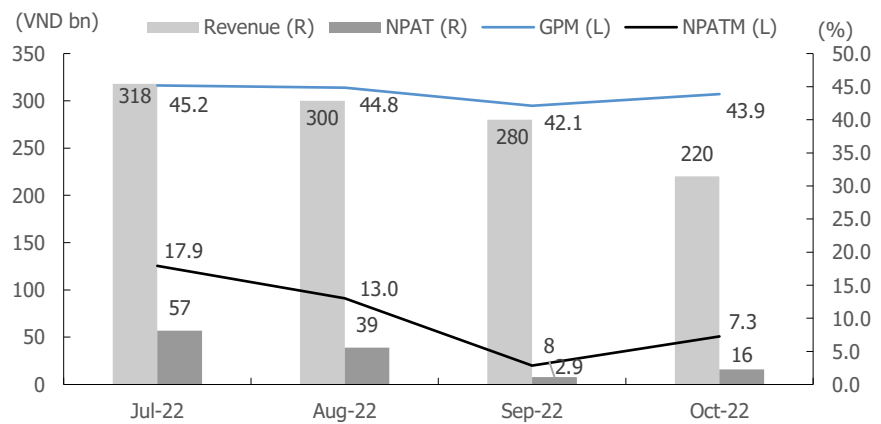
Source: Company data, KIS

Figure 2. Accumulated revenue movement



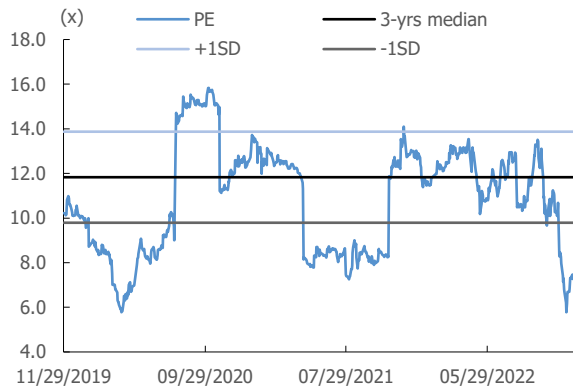
Source: Company data, KIS

Figure 3. Monthly revenue movement



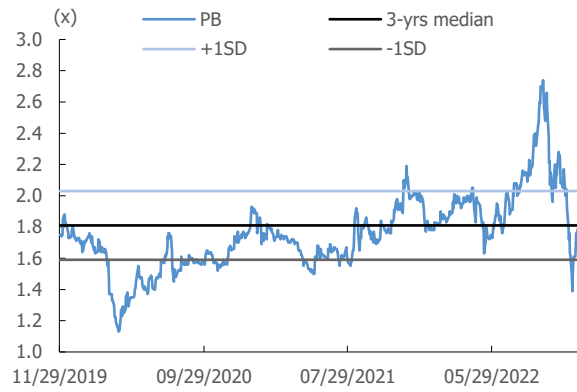
Source: Company data, KIS

Figure 3. TLG's 3 years TTM PE



Source: Company data, Finpro

Figure 4. TLG's 3 years TTM PB



Source: Company data, Finpro

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Prepared by: Research Department

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