

18 Nov 2022

TNG Inv't & Trading (TNG)

Strong performance in 10M22

TNG sustained the growth momentum in October

- TNG released Oct financial statements on Nov 18, which delivered positive business results. Specifically, the company posted a revenue of VND569bn (+23% yoy, +2.3% mom) and a NPAT of VND25.9bn (+7% yoy, -1.5% mom).
- Although the textile and garment export situation was unfavorable since the beginning of 3Q22, TNG still recorded a solid performance thanks to efforts to optimize the customer base with a higher gross margin and apply lean automation for each sewing line.
- Overall, in 10M22, the company achieved VND5,829bn (+28% yoy) in revenue and VND256bn (+31% yoy) in NPAT, fulfilling 97% and 92% of its 2022F guidance, respectively.

The US continued to be the largest importer

- Regarding revenue structure, exports still accounted for the majority of TNG's total revenue in Oct with 98.2% with VND560bn while domestic revenue only accounted for 1.8% with VND9bn.
- The US remained TNG's biggest importer, accounting for 40.1% of total revenue in Oct. Next came France and Russia with 28.8% and 7.3%, respectively.

Optimistic order situation despite industry headwinds

- According to the Vietnam Textile and Apparel Association (VITAS), Vietnam's garment industry is expected to face a decline in orders from its key markets in the coming months amid high inflation which is dampening global demand.
- Furthermore, the average selling price is currently under downward pressure from foreign retailers. Although the industry is facing a challenging time, with the leading position in the industry and a stable customer base, TNG still received full orders for 4Q22F and has been receiving orders for 1Q23F.

	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)	4.3	3.6	4.2	18.4	4.6
EV/EBITDA (x)	5.6	4.6	3.8	5.6	5.6
PB (x)	0.8	0.7	0.7	0.7	0.7
ROE (%)	20.0	25.3	24.7	13.9	17.8
Dividend yield (%)	0.0	0.0	0.0	9.6	2.8

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 (17 Nov, pt)	969
Stock price (17 Nov, VND)	11,500
Market cap (USD mn)	49
Shares outstanding (mn)	105
52-Week high/low (VND)	37,470/9,600
6M avg. daily turnover (USD mn)	2.56
Free float / Foreign ownership (%)	62.6/5.4
Major shareholders (%)	
Nguyen Van Thoi	17.16
Nguyen Duc Manh	7.04

Performance

	1M	6M	12M
Absolute (%)	(29.9)	(52.7)	(60.2)
Relative to VNIndex (%p)	(22.1)	(31.4)	(26.9)

Stock price trend



Source: Bloomberg

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