

6 May 2025

TNG INVESTMENT & TRADING JSC (TNG)

A promising start with solid earnings

Facts: Record revenue, but costs rose at a faster pace

In 1Q26, TNG recorded revenue of VND1.95tn (+29% YoY), completing ~20.5% of its full-year plan and marking the highest first-quarter level in the past five years. This growth was broadly in line with Vietnam's textile export performance to key markets, particularly the EU (+13% YoY) and the U.S. (+3.7% YoY) in 1Q26.

However, gross margin (GM) declined to 12.1% (-3.1% YoY; -2.6% QoQ), reflecting higher input material costs and rising labor expenses, with more than 1,000 new hires in 1Q (+1.93% YoY) to support expanding production and order volumes. Meanwhile, SG&A-to-revenue increased to 6.3% (-1.7% YoY; +0.8% QoQ).

Financial income was broadly flat at VND23bn (+1% YoY), while financial expenses rose to VND86bn (+9.1% YoY). Notably, other income surged to VND25bn (149x YoY), largely driving NPAT growth to VND60.3bn (+39.2% YoY), with net margin at 3.1% (+0.2% YoY but -1.1% QoQ).

Pros & cons: A beautiful sketch, but not easy to paint

At the 2026 AGM, the BOD targets revenue of VND9,500bn (+9.2% YoY) and NPAT of VND450bn (+14.5% YoY). Order visibility remains strong, with the order book filled through 3Q26. Management also indicated a strategic focus on key clients, particularly in the U.S. (e.g., H&M, Walmart) and the EU (e.g., Decathlon, Sportmaster, and Asmara).

Additionally, demand in the EU is expected to recover, and Decathlon as TNG's key client, is currently distributing collections for the 2026 World Cup, including jerseys of major national teams such. With Decathlon recently upgrading TNG into its top three global suppliers, the company's order outlook is expected to improve further this year.

In our view, the outlook is achievable, but several challenges warrant attention:

- Export orders remain vulnerable to cancellations amid unresolved U.S. tariff risks. Despite a preliminary framework of around 20%, the ongoing unpredictability of the Trump administration leaves room for further escalation. While TNG is increasingly shifting toward the EU market and diversifying its client base, another "Liberation Day" could still derail this outlook.
- Geopolitical tensions pose risks through potential shipping disruptions and elevated energy prices, which could delay deliveries and increase logistics costs. In addition, rising labor costs and broader inflationary pressures are likely to weigh further on TNG.

Action: BUY

We maintain a BUY rating on TNG, supported by its positive 2026 outlook and expected improvement in cost control.

12M rating **BUY (Maintain)**

12M TP **VND30,200**

Up/Downside **+37%**

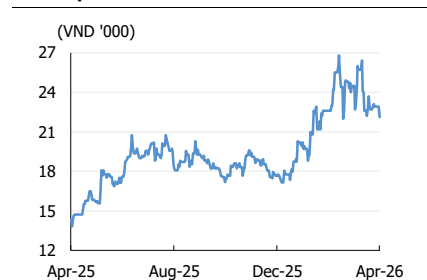
Stock Data

VNIndex (21 Apr, pt)	1,833.5
Stock price (21 Apr, VND)	22,100
Market cap (USD mn)	108
Shares outstanding (mn)	129
52-Week high/low (VND)	26,800/13,835
6M avg. daily turnover (USD mn)	1.42
Free float / Foreign ownership (%)	57.7/21.9
Major shareholders (%)	
Nguyen Van Thoi	19.20
Nguyen Duc Manh	12.04
ASAM Vietnam	11.05

Performance

	1M	6M	12M
Absolute (%)	(9.8)	27.1	53.8
Relative to VNIndex (%p)	(21.1)	16.6	(0.7)

Stock price trend



Source: Bloomberg, KIS

Research Dept

researchdept@kisvn.vn

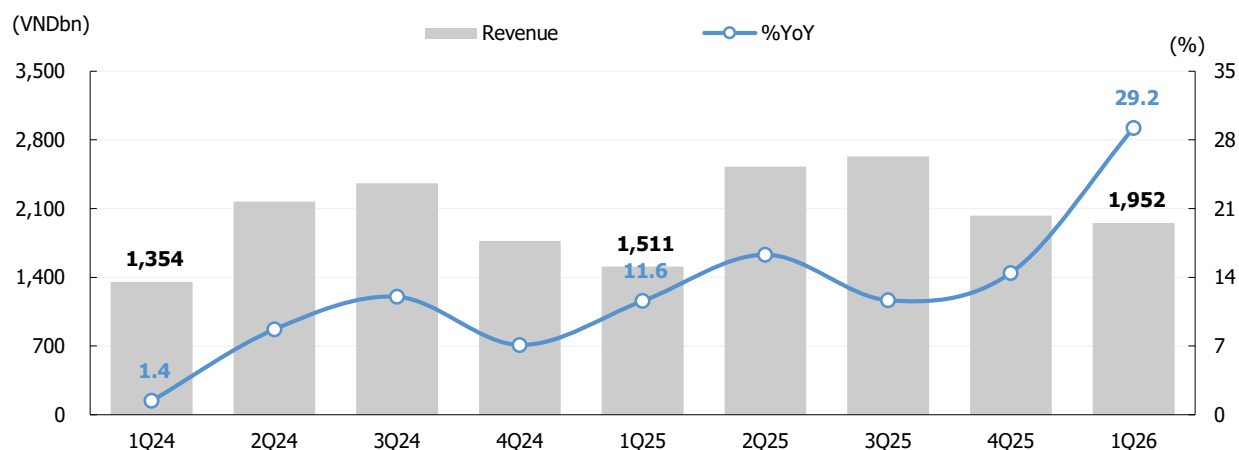
Table 1. Quarterly earnings snapshot

(VND bn, %)

	1Q25	2Q25	3Q25	4Q25	1Q26	QoQ	YoY
Sales	1,511	2,528	2,633	2,027	1,952	(3.7)	29.2
OP	230	370	360	309	236	(23.6)	2.6
OP margin	15.2	14.6	13.7	15.2	12.1	(3.1)	(3.1)
EBT	53	150	146	134	75	(43.9)	40.9
NPAT	43	120	117	112	60	(46.0)	39.2

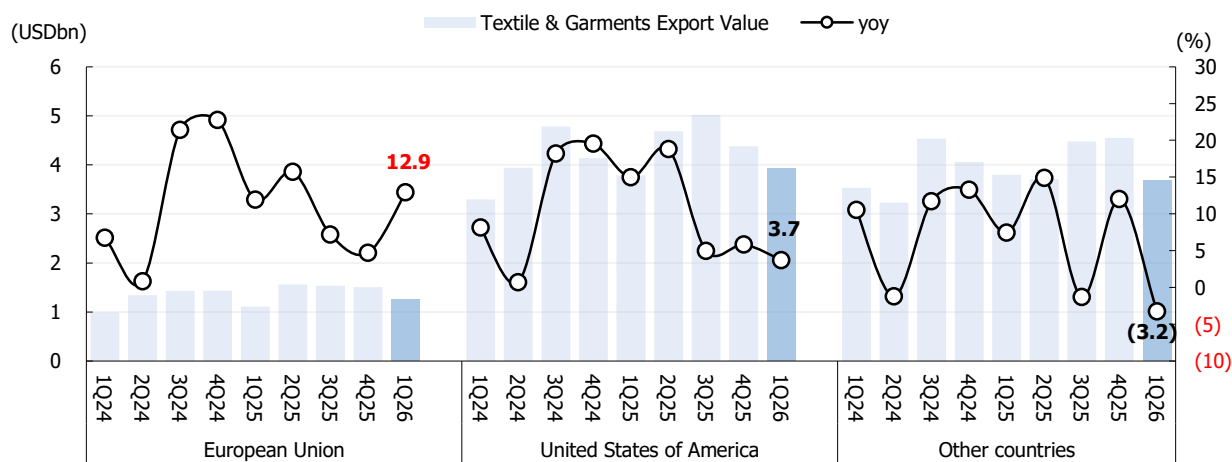
Source: Company data, Bloomberg, FiiProX, KIS

Figure 1. TNG's revenue grew remarkably by 29.2% YoY in 1Q26 but declined 3.7% QoQ due to seasonality



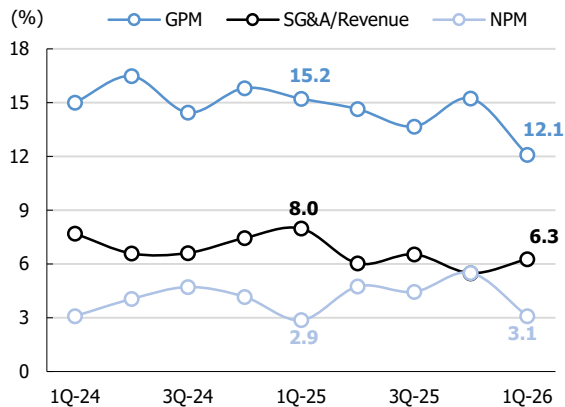
Source: Company data, KIS

Figure 2. TNG's revenue was broadly in line with Vietnam's 1Q26 T&G exports, particularly in the EU market



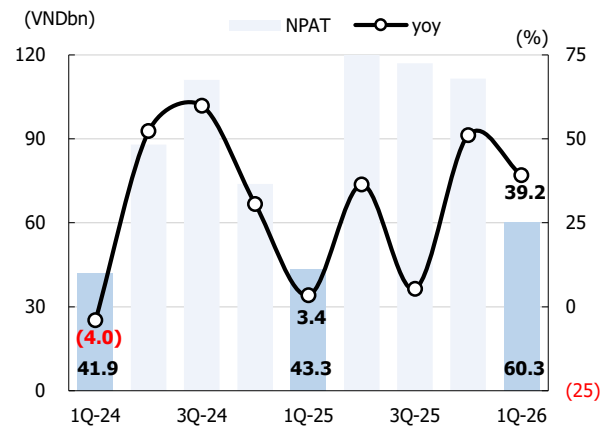
Source: Vietnam Customs, NSO, KIS

Figure 3. Higher COGS pressured GM while SG&A was effectively contained...



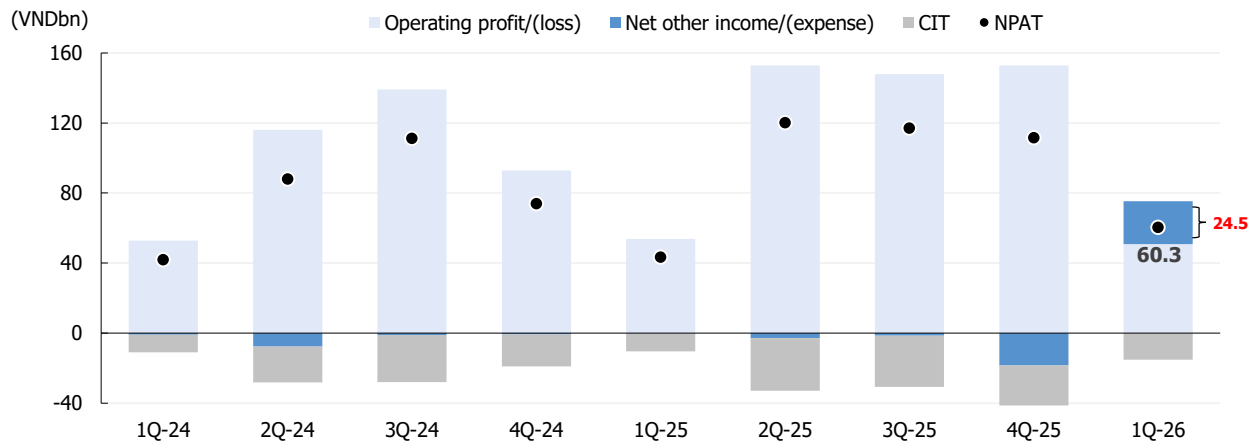
Source: Company data, KIS

Figure 4. ...however, NPAT still recorded robust growth...



Source: Company data, KIS

Figure 5... Largely supported by a one-off contribution from net other income in 1Q26



Source: Company data, KIS

■ Company overview

TNG is one of the leading textile and garment enterprises in Vietnam. Its core business activities include garment outsourcing, manufacturing, and trading fashion products, as well as producing paper packaging and garment accessories. In addition, TNG also owns several real estate projects, including industrial parks and apartment complexes. Currently, all of TNG's factories and projects are located in Thai Nguyen Province.

■ **Guide to KIS Vietnam Securities Corp. stock ratings based on 12-month forward performance**

- BUY: Expected total return will be 15% or more
- Hold: Expected total return will be between -5% and 15%
- Sell: Expected total return will be -5% or less
- KIS Vietnam Securities Corp. does not offer target prices for stocks with Hold or Sell ratings.

■ **Guide to KIS Vietnam Securities Corp. sector ratings for the next 12 months**

- Overweight: Recommend increasing the sector's weighting in the portfolio compared to its respective weighting in the VNIndex based on market capitalization.
- Neutral: Recommend maintaining the sector's weighting in the portfolio in line with its respective weighting in the VNIndex based on market capitalization.
- Underweight: Recommend reducing the sector's weighting in the portfolio compared to its respective weighting in the VNIndex based on market capitalization.

■ **Analyst Certification**

I/We, as the research analyst/analysts who prepared this report, do hereby certify that the views expressed in this research report accurately reflect my/our personal views about the subject securities and issuers discussed in this report. I/We do hereby also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

■ **Important compliance notice**

As of the end of the month immediately preceding the date of publication of the research report or the public appearance (or the end of the second most recent month if the publication date is less than 10 calendar days after the end of the most recent month), KIS Vietnam Securities Corp. or its affiliates does not own 1% or more of any class of common equity securities of the companies mentioned in this report.

There is no actual, material conflict of interest of the research analyst or KIS Vietnam Securities Corp. or its affiliates known at the time of publication of the research report or at the time of the public appearance.

KIS Vietnam Securities Corp. or its affiliates has not managed or co-managed a public offering of securities for the companies mentioned in this report in the past 12 months;

KIS Vietnam Securities Corp. or its affiliates has not received compensation for investment banking services from the companies mentioned in this report in the past 12 months; KIS Vietnam Securities Corp. or its affiliates does not expect to receive or intend to seek compensation for investment banking services from the companies mentioned in this report in the next 3 months.

KIS Vietnam Securities Corp. or its affiliates was not making a market in securities of the companies mentioned in this report at the time that the research report was published.

KIS Vietnam Securities Corp. does not own over 1% of shares of the companies mentioned in this report as of 6 May 2025.

KIS Vietnam Securities Corp. has not provided this report to various third parties.

Neither the analyst/analysts who prepared this report nor their associates own any shares of the company/companies mentioned in this report as of 6 May 2025.

KIS Vietnam Securities Corp. has not issued CW with underlying stocks of TNG INVESTMENT & TRADING JSC (TNG) and is not the liquidity provider.

Prepared by: Research Dept

Global Disclaimer

■ General

This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of KIS Vietnam Securities Corp., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of KIS Vietnam Securities Corp..

This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. KIS Vietnam Securities Corp. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. KIS Vietnam Securities Corp., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or KIS Vietnam Securities Corp. The final investment decision is based on the client's judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.

■ Country-specific disclaimer

United States: This report is distributed in the U.S. by Korea Investment & Securities America, Inc., a member of FINRA/SIPC, and is only intended for major U.S. institutional investors as defined in Rule 15a-6(a)(2) under the U.S. Securities Exchange Act of 1934. All U.S. persons that receive this document by their acceptance thereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Korea Investment & Securities, Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Korea Investment & Securities America, Inc., which accepts responsibility for the contents of this report in the U.S. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. person absent registration or an applicable exemption from the registration requirement.

United Kingdom: This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

Hong Kong: This research report and marketing materials may be distributed in Hong Kong to institutional clients by Korea Investment & Securities Asia Limited (KISA), a Hong Kong representative subsidiary of Korea Investment & Securities Co., Ltd., and may not otherwise be distributed to any other party. KISA provides equity sales service to institutional clients in Hong Kong for Korean securities under its sole discretion, and is thus solely responsible for provision of the aforementioned equity selling activities in Hong Kong. All requests by and correspondence with Hong Kong investors involving securities discussed in this report and marketing materials must be effected through KISA, which is registered with The Securities & Futures Commission (SFC) of Hong Kong. Korea Investment & Securities Co., Ltd. is not a registered financial institution under Hong Kong's SFC.

Singapore: This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Korea Investment & Securities Co., Ltd. has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person. Please contact Korea Investment & Securities Singapore Pte Ltd in respect of any matters arising from, or in connection with, the analysis or report (Contact Number: 65 6501 5600).

Copyright © 2025 KIS Vietnam Securities Corp.. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of KIS Vietnam Securities Corp..